BUS. ADM.
LIBRARY

OCT 23 1942

Final Edition THURSDAY Three Sections—Section One

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4118 New York, N. Y., Thursday, October 22, 1942 Price 60 Cents a Copy

OUR REPORTER'S REPORT

Interest in defaulted railroad bonds, which had been running high in recent months, received a sharp setback this week with the news from Washington that things were moving to forestall any reaping of speculative profits in that direction.

Behind the recent protracted strength in this classification and in some of the cheaper obligations outside the receivership class, was the anticipated passage of the new War Revenue Act with provision for permitting the railroads to buy back their bonds without facing the necessity of paying taxes on illusionary capital gains.

It now develops that Senator Wheeler, with an eye on the likelihood of speculative attempts to "cash in" on this development, had already introduced an amendment to the bill, which would have placed a 90% tax on all profits made from securities of carriers in reorganization, either before or upon completion of such revamping.

But because of unwillingness to delay the tax bill further this amendment was set aside. But it was clearly indicated that subsequent action was in the minds of the legislators and the Treasury along the same lines, with a none-too-gentle hint that whatever ultimate steps are taken they will be made retroactive.

Only the absence of nearby bids on Tuesday, helped to keep the turnover in such bonds light, but even so losses averaged 2 to 3 points, heaviest since the rise began.

(Continued on page 1439)

Our Reporter On "Governments"

The new 2s of 1952/50 are selling at 100. . . . Their issue price. . . . The longer-term issue of 2s, also taxable and due in 1955/51 are selling at 100. . . . Their issue price some months ago. . . . Just look at those two figures, try to reconcile them with the basic rules of price-maturity-yield relationships. . . . It's rather silly, isn't it? . . . But then again, that's the sort of situation you get into when bonds are sold at a price too close to the market and the official sources extend support to the market. . . . Unless we miss our guess and unless (which is much more important) the Treasury and Federal Reserve System miss their task, the longer 2s and the shorter 2s and all the other 2s we can look forward to will remain at par—come one thing or another. . . . So let's admit another axiom is going by the boards. . . . No longer can you sit down and figure what spreads should exist between issues on the basis of the fundamentals. . . .

And here's another report, indicative of the present situation in the Government bond market. . . . A few days ago, dealers began quoting "subject" markets on most of the long-terms and intermediates. . . . That is they told customers to state their wishes and the dealers would "try to see if the orders could be fulfilled." . . . Subject markets are usually the sign of a badly disorganized, unsettled situation. . . .

The factors behind the sudden development? . . . There is no certainty but one story is a major institution in the New York district showed its hand as a seller. . . . Dealers went to the Federal Reserve authorities, asked what the official support would do. . . . Received a cool reception. . . . And market reflected this immediately. . . . Another is the Federal Reserve itself started the thing by suggesting that dealers try to take some of its recently-bought securities off its books. . . . Prior to the last financing and during the days the subscription books were open, the Federal was a prime buyer of outstanding securities. . . . It didn't buy those obligations for permanent holding and its indications to that effect set off the movement. . . .

And it may be that another explanation entirely is responsible. . . . But that doesn't matter. . . . What does is that Morgenthau's $4,000,000,000 sale of 2s and 1½s still is having a seriously disturbing effect on the most important market in the nation today. . . . Can such a flotation be called a success? . . . Even though the $4,000,000,000 was raised? . . .

But it's about time discussion of the recent financing was ended. . . . One thing, surely—the Treasury officials want to put a halt to the under-cover talk. . . . And with the speech of Undersecretary of the Treasury Daniel W. Bell at the Investment Bankers Association's war finance conference Monday evening, we've had final confirmation of the Treasury's intention to make the 10-year 2s the standard bond for commercial banks. . . .

Banks are going to double their holdings of Governments this fiscal year. . . . And they're going to do that by buying billions of securities, ranging from 90-day bills to 10-year bonds and carrying interest ranging from ⅜ of 1% to 2%. . . .

"EVERYBODY WORRIED"

A telephone call to one of the big dealers in Governments this week elicited this reply, "I don't know what's going to happen to

(Continued on page 1440)

IBA War Finance Conference Meets In N. Y.; Investment Banking Termed Vital To Nation

Some 400 or 500 investment bankers from all sections of the country gathered in New York this week for the 31st annual meeting of the Investment Bankers Association of America, having one major item of business before them—that of their participation in the war through helping the Treasury finance it. John S. Fleek of the Cleveland investment banking firm of Hayden, Miller & Co., President of the Association, in a pre-meeting statement said, "The primary reason for our session is to be told by Government representatives who are directing the war financing, how great are the demands and where and how we can help."

Among the Government representatives were Daniel W. Bell, Under-Secretary of the Treasury, and Rear Admiral Emory Scott Land, Chairman of the Maritime Commission and the man in charge of war shipping. Another speaker was Joseph C. Grew, former Ambassador to Japan. In addition, Treasury, War Savings Staff and Federal Reserve officials and the Chairmen and executives managers of the Treasury's Victory Fund Committees participated in a special war finance session on Oct. 19 which discussed methods and techniques of selling Government bonds in vast quantities much after the manner in which business concerns in more normal times hold national sales conferences to stimulate the sale of their products.

At a luncheon on Oct. 19, Rear Admiral Land was the speaker, and at a dinner the same night Under-Secretary Bell and former Ambassador Grew addressed the gathering. The meeting, held at the Waldorf-Astoria Hotel, covered a two-day period—Oct. 19 and 20—with committee meetings taking place on Sunday, Oct. 18. Held under the title of the association's "War Finance Conference," the meeting replaced the association's usual five-day annual convention.

It was the first time that the association has met in New York since its initial convention in 1912, the purpose this year being to minimize the traveling of delegates. The majority of the association's members are located on the eastern seaboard, and those from other sections of the country were asked to include this year's meeting with one of their periodical business trips to New York. A number of commercial bankers and others who are members of the Treasury's Victory Fund Committees were invited as special guests of the association.

Out of the meeting, said President Fleek in his pre-meeting statement, there should develop additional ways for the men in the securities business to apply their special training and experience to the nation's problem of financing the war. He commended the men of the securities business for the services they have rendered the Treasury without compensation. "War is a devastating calamity at best and for investment banking it has brought drastic displacements and curtailments," he said. "For these reasons you are all the more to be commended for so willingly volunteering to take time from your ordinary business to sell Government bonds in direct competition with the securities which are your regular stock in trade."

In addition to its service in helping the Treasury, the securities business as represented in the

(Continued on page 1430)

INDEX

	Page
Bank and Insurance Stocks	1430
Calendar of New Security Flotations	1438
Investment Trusts	1431
Municipal News and Notes	1432
Our Reporter on Governments	1425
Our Reporter's Report	1425
Personnel Items	1428
Railroad Securities	1429
Real Estate Securities	1428
Securities Salesman's Corner	1431
Tomorrow's Market—Walter Whyte Says	1429
Uptown After 3	1437
Savings and Loan Assn's Portfolios in Sound Condition	1434
Associations' Bond Buying Aids War Effort; Brake on Inflation	1435

Special Editorial Material Featuring Savings and Loan Associations Starts on Page 1434

QUICK ACTION ON DESIGN AND CONSTRUCTION
also
SURVEYS AND REPORTS
In connection with
MANAGEMENT PROBLEMS
FINANCING and VALUATIONS
SANDERSON & PORTER
ENGINEERS and CONSTRUCTORS
52 WILLIAM STREET
Chicago NEW YORK San Francisco

Established 1856
H. Hentz & Co.
Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges
N. Y. Cotton Exchange Bldg.
NEW YORK
BOSTON CHICAGO DETROIT
PITTSBURGH
GENEVA, SWITZERLAND

Invest each day
in the U. S. A.
BUY UNITED STATES
WAR SAVINGS BONDS
AND STAMPS
R. H. Johnson & Co.
Established 1927
INVESTMENT SECURITIES
64 Wall Street, New York
BOSTON PHILADELPHIA
Troy Albany Buffalo Syracuse
Pittsburgh Wilkes-Barre
Williamsport

Actual Trading Markets, always
in a wide range of
Over-The-Counter
Securities
Kobbé, Gearhart & Co.
INCORPORATED
Members N. Y. Security Dealers Ass'n
45 Nassau Street New York
Tel. REctor 2-3600 Teletype N. Y. 1-576
Philadelphia Telephone: Enterprise 6015

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL . £3,000,000
RESERVE FUND £3,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED
Bankers to the Government in
Kenya Colony and Uganda
Head Office: 26, Bishopsgate,
London, E. C.
Branches in India, Burma, Ceylon, Kenya
Colony and Aden and Zanzibar
Subscribed Capital....£4,000,000
Paid-Up Capital £2,000,000
Reserve Fund........£2,200,000
The Bank conducts every description of
banking and exchange business
Trusteeships and Executorships
also undertaken

LAMBORN & CO.
99 WALL STREET
NEW YORK CITY
SUGAR
Exports—Imports—Futures
DIgby 4-2727

AMERICAN MADE
MARKETS IN
CANADIAN
SECURITIES
HART SMITH & CO.
Members
New York Security Dealers Assn.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
Broaden your customer
service with Chase
correspondent
facilities
Member Federal Deposit Insurance Corporation

Underlying Mortgage
Railroad Bonds
Reorganization Bonds
Inquiries invited
B.W. Pizzini & Co.
GUARANTEED RAILROAD STOCKS-BONDS
BO. Gr. 9-6400 NEW YORK N.Y. 1-1063
Telephone 52 Broadway Teletype

Trading Markets in:

American Barge Line
Chas. Pfizer & Co.
Ohmer Fare
7s, 1938
Missouri Pacific
5¼s, Serial

KATZ BROS.
Established 1920
Members New York Security Dealers Ass'n
40 Exchange Pl., N.Y. HA 2-2772
BELL TELETYPE NY 1-423

We Maintain Active Markets in U. S. FUNDS for

CANADIAN SECURITIES

Brown Co. 5s-59 Pfd. & Com.
Minn. Ont. Paper 5s-60 & Com.
Noranda Mines
Fanny Farmer

GOODBODY & CO.
Members N. Y. Stock Exchange and Other Principal Exchanges
115 BROADWAY NEW YORK
Telephone BArclay 7-0100 Teletype NY 1-672

Attention
Banks - Investment Trusts - Estates

We invite confidential offerings of
Blocks of Stocks and Bonds
for placement with our customers
Correspondence Invited

120 Broadway
New York

WARD & Co.

Phone: REctor
2-8700

Established 1926
Members New York Security Dealers Ass'n
Bell Teletype NY 1-1288
Direct Wires to
LOS ANGELES - BOSTON - HARTFORD - PHILADELPHIA
Inquiries on Issues in these Cities Invited

Rails In Reorganization

The Status of Railroads in Reorganization is the subject of an interesting study issued by Buckley Brothers, 1529 Walnut Street, Philadelphia, Pa. Discussed in the study are the methods of reorganization of some of the more important roads, the tax situation, cash position, the possibility of government control, wage situation and the effect of competition from airplanes. Copies of this booklet may be had upon request from Buckley Brothers.

Trader

Man, long experienced in all phases of the Over-the-Counter business, desires connection with progressive house. Capable of managing trading department or to act as contact man. Box S 20, Financial Chronicle, 25 Spruce St., New York

Representative Contact Man

Are you in need of a CONTACT MAN or REPRESENTATIVE with a wide acquaintance in the BROKERAGE and BANKING BUSINESS?

15 years in the above capacity with THE NATIONAL QUOTATION BUREAU (Daily Sheets). Box K 19, Financial Chronicle, 25 Spruce St., New York.

Opportunity For Salesmen

Four high grade salesmen, preferably with investment trust experience, wanted for Miami and Orlando, Florida, territory. Excellent opportunity. Write giving full particulars to advertiser, Box H 21, Financial Chronicle, 25 Spruce St., New York.

Detroit & Canada Tunnel
Bonds & Stock
Southern Cities Utilities
5s, 1958
Consolidated Electric & Gas
"A" 6s, 1962
Water Company
Bonds & Stocks

G. A. Saxton & Co., Inc.
70 PINE ST., N. Y. WHitehall 4-4970
Teletype NY 1-609

Stock Market Trend Upward; Rails And Utilities Discussed

Profit Taking

Generally easier tendencies prevailed throughout most sections of the list during the past week.

Recessions, for the most part, were of minor proportions and volume tended to diminish as prices drifted lower, thus indicating an unwillingness on the part of investors or speculators to press offerings very far.

Following the extended advance which has thus far taken place, it is natural to expect that the market has entered an area where profit-taking will cause increasing irregularity. The position of the market, however, remains fundamentally unchanged, and while we recognize the probability of some kind of an intermediate top developing at around prevailing levels, we cannot conceive of it being anything more than a temporary barrier. The main trend, in our opinion, is upward, subject to recurring periods of irregularity and reaction.

As We See It

As we see it, one of the vulnerable sections of the market at the present time is defaulted rail bonds.

Most of these issues have had a very substantial advance and apparently some very sizeable speculative positions have been built up. Fundamentally, the outlook has not undergone any significant change for the worse, but it is obvious that the technical position of the market, judging from the recent character of the buying and selling, has deteriorated considerably.

Reactions in this section of the market, when it is in such an advanced position as at present, are usually violent—witness the collapse last spring, for instance. All of this is not in any sense a prediction of an extensive downward readjustment; the position of the market could be corrected, as we see it, by a prolonged sidewise movement within relatively narrow limits. We are merely advocating caution and believe that profit-taking is a sounder policy than entering into new commitments, except in special instances.

Some Exceptions

Now consider the position of the borderline interest-paying rail bonds.

There has been relatively little public participation in this section of the market. Most of these issues have for months been moving within narrow limits and with no appreciable increase in dealings. An exception, however, has been in some of the fairly short maturities in which speculation has tended to converge. Hence, if unfavorable developments were to occur, we should expect to see some sharp corrections in the earlier maturities rather than in the later maturities. Many of the former, in our opinion, are selling far out of normal relationship to intrinsic quality. Such a situation in the past has always proved temporary rather than permanent, and we judge the same situation will exist in the future.

In any event, there is no denying the fact that there is sufficient widespread distrust of the after-the-war position of the rails to bring about a sharp reaction if a real peace scare develops.

Tax and Peace Beneficiaries

The position of utilities is somewhat different.

There have been some very sizeable advances during recent months, but, generally speaking, prices for utility stocks today are even lower than the lowest prices recorded at the bottom of the market in 1932.

The proposed tax bill, even with its anti-utility joker, virtually clinches many dividends which formerly were doubtful, and we judge that some of the better speculative and investment opportunities in the market presently exist in this section of the list, particularly amongst preferred stocks.

In addition to utilities being major beneficiaries of a reduction in the normal and surtax rate from 45 to 40%, this group of stocks would also probably fare extremely well in any peace market. Certainly it is a fair observation to make that the longer the war lasts the better it is for the railroads and the worse for the utilities — and, conversely, the shorter the war the better for utilities and the worse for the railroads. In short, if a real peace scare were to develop with the market in its present position, we think that the rails and utilities would "scissor" in decisive fashion. — *G. Y. Billard — J. R. Williston & Co.*

G. Milburn In Army; Firm Elects Cochran

WICHITA, KANS. — Glenn L. Milburn, Vice-President of Small-Milburn Company, Wheeler-Kelly-Hagny Building, has joined the armed forces and is a Lieutenant in the Quartermaster Replacement Training Center of Ft. Warren, Wyoming. Lt. Milburn has taken a leave of absence from the Small-Milburn Company for the duration.

W. B. Cochran, Manager of the firm's Oklahoma City office, Terminal Building, has been elected Assistant Vice-President. Don Small, Kansas representative, has been elected Secretary.

Marshall Foster To Be Gammack Co. Partner

Marshall S. Foster will be admitted to partnership in Gammack & Co., 40 Wall Street, New York City, members of the New York Stock and Curb Exchanges, on Nov. 1st. Mr. Foster was formerly associated with the New York office of Auchincloss, Parker & Redpath in charge of the Market Analysis Department.

Harold Kennedy Joins Graham, Parsons Co.

Harold J. Kennedy has been appointed to the sales force of Graham, Parsons & Co., 14 Wall Street, New York City. Mr. Kennedy was formerly Vice-President of Colyer, Robinson & Co., Inc., of Newark, in charge of the Municipal Department.

NSTA Service Flag

The following are members of the New Orleans Security Traders Association who are now serving in the armed forces. The New Orleans Association is an affiliate of the National Security Traders Association.

Dinkins, Ladd, Lt. (j. g.), U. S. Navy.

Gleason, F. Wesley, Ensign, U. S. Coast Guard.

Hardy, Ford T., First Lt., Army Air Corps.

Manion, Charles W., Private, Army Air Corps.

Newman, Leon, First Lt., Quartermaster Corps.

Newman, Morris W., First Lt., Glider Corps, Advanced Glider School.

Schjott, Rudolph, Ensign, U. S. Coast Guard.

Smith, Palmer, Major, U. S. Army.

Weil, Roswell J., First Lt., Quartermaster Corps.

Weil, Walter, Jr., Private, V. O. C., Army Air Corps.

NYSE Members, Employees To Make Blood Donation

Members and employees of the New York Stock Exchange met on Oct. 16 in the Board of Governors room of the Exchange to make plans for donation of blood on Armistice Day, Nov. 11, at the Blood Donor Service of the New York Chapter of the American Red Cross, 2 East 37th Street, New York City. James McKenna Chief Floor Air Raid Warden of the Exchange, was Chairman of the meeting.

Mrs. Dudley Brill and Mrs. Frederick Vietor, of the Red Cross, explained that organization's blood donor process. Mrs. Vietor also addressed a meeting of the Association of Customers' Brokers which followed that of the members and employees of the Exchange.

Alabama Mills
Debardelaben 4s, 1957
O'Gara Coal Co., 5s, 1955

STEINER, ROUSE & Co.
Members New York Stock Exchange
Maritime Bldg. Brown-Marx Bldg.
New Orleans, La. Birmingham, Ala.
Direct Wire BH 198
25 Broad St.
New York, N. Y.
NY 1-1557

Bids Wanted

75 Shares
Ware River Railroad
60 Shares
Pittsfield & No. Adams Railroad

HUNTER & CO.
Members N. Y. Security Dealers Ass'n.
42 Broadway New York
WHitehall 4-2968 Teletype NY 1-110

Stein Bros. & Boyce Admit New Partners

BALTIMORE, MD.—Stein Bros. & Boyce, 6 South Calvert Street, investment bankers and members of the New York Stock Exchange, announce that Allan L. Carter, Jr., LeRoy A. Wilbur and Edward J. Armstrong, were admitted to the firm as general partners, effective as of Oct. 15, 1942.

LeRoy A. Wilbur

Mr. Carter has been engaged in the investment banking business for approximately 15 years. He was formerly associated with W. W. Lanahan & Company and Baker, Watts & Co. Mr. Wilbur has been with Stein Bros. & Boyce since 1927, and for the past several years has been Manager of the Investment Department. He is also Secretary of the Bayway Terminal Corporation. Mr. Armstrong has been connected with the investment banking business for the past twenty-four years, and has been with Stein Bros. & Boyce since 1924.

Edward J. Armstrong

The firm also announces that Fitzhugh J. Dodson retired as a general partner, effective Oct. 15, but is continuing to be associated with the firm.

Stein Bros. & Boyce state that 16 members of the organization, including one partner, are now serving in the armed forces. Henry C. Evans, partner, is now a Brigadier General in the Field Artillery of the U. S. Army.

Admission of Messrs. Carter, Wilbur, and Armstrong to partnership in Stein Bros. & Boyce was previously reported in the "Financial Chronicle" of Oct. 8th.

COMMERCIAL and
FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, October 22, 1942

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Copyright 1942 by William B. Dana Company.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

Subscriptions in United States and Possessions $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year. NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Real Estate Bonds
MARKETS FOR
ALL MORTGAGE
CERTIFICATES
issued by
NEW YORK CITY
BANK & TRUST COMPANIES
TITLE & MORTGAGE COMPANIES
PRUDENCE COMPANY

Newburger, Loeb & Co.
Members New York Stock Exchange
40 Wall St., N.Y. WHitehall 4-6300
Bell Teletype NY 1-2033

Auto Of Future May Feature 2-Way Radio

A motorist in the post-war era may be able to converse by two-way radio with friends miles away as he rolls along the highway.

That is the distinct possibility being held out for millions of drivers by Delmar G. Roos, chief engineer for Willys - Overland Motors, who this week outlined results of his company's development of a mass-production technique which enables combat vehicles to send and receive short wave messages without interference.

The development, described as "radio spark suppression," has been in use for the past six months on tanks, Jeeps and half-tracks, Mr. Roos said, and has proved inself especially invaluable when the vehicles are travelling in convoy or close battle formation. Previously, he continued, it was impossible for them to transmit and pick up dispatches on certain short wave bands due to sparks and static generated by the electrical equipment in their gasoline engines.

In overcoming the problem, Mr. Roos explained, Willys engineers, in close cooperation with the U. S. Signal Corps, designed special filters, suppressors and grounding materials, which eliminated the static without impairing engine efficiency.

He said the company's Jeep assembly lines were then utilized in perfecting a technique to "spark suppress" motorized weapons in mass production. Materials and installation methods were standardized and special testing booths, containing short wave radios, were constructed in sufficient numbers to permit immediate checking of each Jeep as it was driven from the assembly line.

Mr. Roos predicted that the new spark suppresion method, in addition to its possible use in the post-war automobile, will greatly affect the future of radio and television since it makes hundreds of wave bands available which were previously useless.

St. Louis Traders Club Elects Richter Pres.

ST. LOUIS, MO.—At the annual election of the Security Traders Club of Saint Louis, the following were selected as officers for the year 1942-1943.

Henry J. Richter

President—Henry J. Richter, of Scherck, Richter Company.

First Vice-President—Emmet J. Brennan, of Brennan, Kinsella & Company.

Second Vice-President — Raymond J. Denyven, of Denyven and Company.

Third Vice-President—Earl Godbold, Jr., of Goldman, Sachs & Company.

Secretary—Richard H. Walsh, of Newhard, Cook & Company.

Treasurer—Fred S. Kelly, of Stifel, Nicolaus & Company, Inc.

National Committeeman — Jerome F. Tegeler, of Dempsey-Tegeler & Company.

The election party was held at the DeSoto Hotel.

News & Views

The current issue of "News & Views" published by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif. contains interesting information on a number of fire insurance stocks which the firm considers, offer particularly attractive possibilities at the present time. Copies of "News & Views" may be had by writing to Butler-Huff & Co.

Interesting Possibilities

Brown Co. 5s, due 1959, offer interesting possibilities, according to a circular issued by Charles King & Co., 61 Broadway, New York City, from whom copies may be had upon request.

We are interested in offerings of
High Grade
Public Utility and Industrial
PREFERRED STOCKS
Spencer Trask & Co.
25 Broad Street, New York
Telephone HAnover 2-4300 Teletype NY 1-5
Members New York Stock Exchange

1853 1942

We take pleasure in announcing that

MR. ALLAN L. CARTER, Jr.
MR. LeROY A. WILBUR
MR. EDWARD J. ARMSTRONG

have this day become general partners in our firm.

STEIN BROS. & BOYCE
Established 1853
6 S. Calvert Street, Baltimore
Telephone Plaza 8400
NEW YORK PHILADELPHIA LOUISVILLE
York, Pa. Hagerstown, Md. Cumberland, Md. Washington, D. C.
MEMBERS OF NEW YORK STOCK EXCHANGE
and other leading exchanges.

October 15, 1942.

Catozella Heads Dept. Of Merrill Lynch, Pierce Co.

Reynolds & Co., 120 Broadway, New York City, members New York Stock Exchange, announce that Vincent A. Catozella, formerly with Merrill Lynch, Pierce, Fenner & Beane, has joined their research staff as Manager of the Investment Advisory Division and Tax Economist.

Seaboard Ry. Interesting

The current situation in Seaboard Air Line Railway Company offers interesting possibilities according to a bulletin issued by Van Tuyl & Abbe, 72 Wall Street, New York City. Copies of the "Bulletin," which discusses the company's earnings and the progress of its reorganization may be had from Van Tuyl & Abbe upon request.

In New Location

Ira Haupt & Company, Members New York Stock Exchange, have moved their main office to 111 Broadway, New York City. The firm announces the closing of its branch office at 25 Broad Street, formerly the main office of Newman Bros. & Worms, now dissolved. The personnel of this office will move to the firm's new quarters.

This announcement is not to be construed as an offer to sell or as a solicitation of an offer to buy any of the shares herein mentioned.
The offering is made only by means of the Prospectus and through underwriters who are qualified
to offer at the places where the offering is made.

NEW ISSUE

50,000 Shares

Elastic Stop Nut Corporation

6% Cumulative Convertible Preferred Stock
(Par Value—$50 per Share)

Subject to the prior right of holders of the Common Stock
to subscribe for these shares as described in the Prospectus

Price $50 per Share
(plus dividend accrued from October 1, 1942)

Copies of the Prospectus may be obtained from such of the undersigned
as are registered dealers in securities in this State.

White, Weld & Co.

Shields & Company H. M. Byllesby and Company
Incorporated

The First Trust Company of Lincoln, Nebraska

October 20, 1942

B. S. **LICHTENSTEIN**
AND COMPANY
One Week Nearer Victory!
BY JUPITER
— we star at making markets for obsoletes. That's because we planet that way! Stop mooning about that strong box junk. Our bid will make you sunny.
Obsolete Securities Dept.
99 WALL STREET, NEW YORK
Telephone: WHitehall 4-6551

We Are Specialists In
REAL ESTATE SECURITIES
Inquiries Invited In
Lawyers Mtge. Co. Ctfs.
Lawyers Title Co. Ctfs.
Bond & Mtge. Co. Ctfs.
and all other Title Co.'s
Bank Trust Participations
Complete Statistical Information
L. J. GOLDWATER & CO.
INC.
Members New York Security Dealers Assn.
39 Broadway, New York, N. Y.
HAnover 2-8970 Teletype NY 1-1203

Attention Retail Distributors
BROWN COMPANY
5s due 1959
Interest charges earned 7.5 Times in 1941—Assets approximately $3,263 per bond—Accumulated interest $100.
CIRCULAR ON REQUEST
CHARLES KING & CO.
61 Broadway, N. Y. WH. 4-8980
Teletype N. Y. 1-142
Specializing In Canadian Bonds & Stocks

Old Colony R. R.
All Issues
Seaboard Air Line
5s, 1931
Seaboard-All Florida
Bonds & Certificates
J. F. Reilly & Co.
Members
New York Security Dealers Assn.
71 Broadway, New York, N. Y.
HAnover 2-4660
Bell System Teletype, N. Y. 1-2480

SEC Extends Time On Trust Indentures

The Securities and Exchange Commision announces the adoption of a minor amendment to Rule T-7A-4, which is the rule concerning the calculation of time of the effective date of applications for qualification of indentures under the Trust Indenture Act of 1939. The amendment changes the hour from which the calculation is computed from 4:30 p.m. Eastern Standard Time to 5:30 p.m. Eastern Standard War Time.

WATER WORKS SECURITIES
Bonds
Preferred Stocks
Complete Statistical Information
Inquiries Invited
CRAIGMYLE, PINNEY & CO.
Members New York Stock Exchange
ONE WALL ST., NEW YORK
Telephone WHitehall 4-5290

PUBLIC UTILITY
INDUSTRIAL
RAILROAD
MUNICIPAL
BONDS

A.C.ALLYN AND COMPANY
INCORPORATED
CHICAGO
New York Boston Philadelphia
Detroit Milwaukee Omaha

DALLAS

Bought — Sold — Quoted
Dr. Pepper
Republic Insurance
New Mexico Gas Co. Com. & Pfd.
Great Southern Life Ins. Co.
Southwestern Life Ins. Co.
Dallas Ry. & Ter. 6% 1951
All Texas Utility Preferred Stocks
Check us on Southwestern Securities
RAUSCHER, PIERCE & CO.
DALLAS, TEXAS
Ft. Worth-Houston-San Antonio

NEWARK

Firemen's Insurance Co.
of Newark

American Insurance Co.
(Newark)

J. S. Rippel & Co.
Established 1891
18 Clinton St., Newark, N. J.
MArket 3-3430
New York Phone—REctor 2-4383

ST. LOUIS

STIX & CO.
SAINT LOUIS
509 OLIVE ST.
Bell System Teletype—SL 80

Members St. Louis Stock Exchange

Edward Prosser Joins Hicks & Price Staff

(Special to The Financial Chronicle)

CHICAGO, ILL. —Edward T. Prosser has become associated with Hicks & Price, 231 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Prosser was formerly associated with Apgar, Daniels & Co. for many years.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Edwin H. Woarms, special partner in Jacques Coe & Co., New York City, has changed his name to Edwin H. Warms, effective Oct. 4th.

Sherburne Prescott retired from partnership in Gude, Winmill & Co., New York City, as of Oct. 15th.

John Spencer Allen withdrew from partnership in Hill & Co., Cincinnati, Ohio, as of Sept. 30th.

Forty Wall Street Building
New York City

Illustrated Analysis on request

Seligman, Lubetkin & Co.
Incorporated
Members New York Security Dealers Association
41 Broad Street New York
Telephone HAnover 2-2100 Teletype NY 1-592

REAL ESTATE SECURITIES

MAJESTIC APARTMENTS

A Low-Priced Speculation In Bond And Real Estate Ownership

During an inflationary period, real estate has often been considered desirable to own.

With this thought in mind, the writer has investigated a great many real estate bond issues that also carry a share of the equity ownership with them.

After this study, we have concluded that the second mortgage bonds of the Majestic Apartments are worthy of consideration. The bond issue on this property presents a very interesting speculation in real estate ownership. Each bond carries with it stock representing an equal share in 100% of the ownership of the property. A first mortgage placed ahead of the bonds in 1937 by the Mutual Life Insurance Co. was refinanced by a first mortgage placed with the Aetna Life Insurance Co. as recently as August, 1940. A study of these loans enables a fairly good indication of the value of the property. Besides having the ownership of the property, the bondholders have been receiving some small interest payments on their bonds, which since 1937, have totaled $54.57 for each $770 bond. All of this interest was not paid out of earnings. Part of 1939 distribution was from a refund of taxes. While these interest payments are small, based on the last interest payment and current market, the bonds offer a yield in excess of 8%.

The present assessment is $5,150,000, compared to $7,500,000 in 1939. However, at the current market of the securities, it is possible to buy into this property at the low figure of $2,754,580, computed as follows:

First Mortgage _______	$2,300,000
Bond Issue With Ownership $7,576,338 at 6% of face value____	454,580
	$2,754,580

The loan taken by the Aetna Life Insurance Co. expires in 1950 and was in the amount of $2,435,000 at 4% interest and 2% amortization. This mortgage has been reduced by amortization payments and is presently outstanding in the amount of $2,300,000.

Assuming this was a "50% of the value of the property loan," this would indicate an appraisal of $4,870,000 for the property by the Aetna real estate experts.

This loan was used to refund the Mutual Life Insurance Co. loan of $2,500,000 at 4½% to 4¾% interest placed in 1937. If we figure on the same basis as above, this would indicate the Mutual's appraisal of the value of the property at $5,000,000 when they took the mortgage.

You will note that the loan taken by the Aetna was at a lower rate of interest than the Mutual financing. The fact that they were willing to take a lower rate of interest is another indication of their idea of the value of the property.

It is also interesting to note that at the time the original mortgage bond issue was placed on this property in the amount of $9,400,000, the land and building were appraised at $14,250,445 by Frederick Zitell & Sons, Inc., and $14,100,000 by Douglas Gibbons, Inc. Based on the lower of these appraisals, the issue at that time was supposed to represent a 66 2/3% loan.

The location of the property, the entire block front of Central Park West from 71st to 72nd Streets, is one of the most outstanding in New York City. The property faces directly on Central Park and commands a vista of trees, lawns, ponds and winding bridle paths extending over an area of many acres. Central Park West and 72nd Street are broad streets lined with fine apartment buildings and hotels. A subway station is on the corner and both 5th Avenue and 8th Avenue buses are also available at the door.

The property has a frontage of approximately 204 feet on Central Park West, with a depth of 177½ feet on 71st Street and 224 feet on 72nd Street. It is improved with a 30-story apartment building containing 1,403 rooms divided into 208 apartments in units of from two to 12 rooms. In addition there are ten offices. The apartments are both simplex and duplex types. A special construction eliminates the usual corner columns or piers. This space, up to the 19th story, is used for glass enclosed porches, which can be transformed in the summer into open terraces. In the upper stories the "set backs" are so planned that large terrace space is provided for all apartments located on these floors. All apartments have spacious galleries and ceilings of extra height. There is a large solarium on the roof open in summer and enclosed with vita glass in the winter. Entrances to the building are provided on all three streets.

To summarize, at current price levels, and assuming interest payments are continued on the same basis as the last payment, it is possible by purchasing the Majestic bonds to receive a yield of 8%; to own in addition to your second mortgage bond a share in the property on the basis of $2,754,580, which the City of New York assesses at $5,150,000, which was appraised at time of construction at $14,250,445 and on which an insurance company has within the last two years made a first mortgage loan of $2,435,000.

We Maintain
an Active Trading Market in
N. Y. Majestic Apt.
4's, due 1956
(with stock)

Inquiries invited
on all Real Estate Issues
S. H. JUNGER CO.
40 Exchange Pl., New York
Phone DIgby 4-4832 Teletype N. Y. 1-1779

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

NEW YORK, N. Y.—**Casper G. Lennertz**, formerly with Otis & Co. and Lehman Bros., is now associated with **Newburger, Loeb & Co.**, 40 Wall Street, in their Sales Department.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Raoul Lusena** has been added to the staff of **Massachusetts Distributors, Inc.**, 111 Devonshire Street.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Fred G. Carter** has become affiliated with **Trust Funds, Inc.**, 89 Broad Street. Mr. Carter was formerly with Chas. A. Day & Co., Inc.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Charles O. Larson** has become associated with **Holley, Dayton & Gernon**, 208 South La Salle Street. Mr. Larson was previously with C. S. Brown & Co., Link, Gorman & Co., and Case, Bosch & Co.

CHICAGO, ILL. — **George W. Fuget** has become connected with **Merrill Lynch, Pierce, Fenner & Beane.** Mr. Fuget was formerly with Thomson & McKinnon for a number of years and prior thereto was in charge of the Over-the-Counter Department of Russell, Brewster & Co.

(Special to The Financial Chronicle)

DAYTONA BEACH, FLA.—**Bert S. Long** has joined the staff of **Southeastern Securities Corp.**, Graham Building, Jacksonville, Fla. Mr. Long was formerly local Manager for Guaranty Underwriters.

(Special to The Financial Chronicle)

KANSAS CITY, MO. — **Nelson B. Good, Lois DeV. Gray, Cecil E. Harrow, William E. Lake, Carl C. Lamb, Ralph E. Marsh**, and **May B. Oliver** have been added to the staff of **Barrett Herrick & Company, Inc.**, 1012 Baltimore Avenue.

(Special to The Financial Chronicle)

KANSAS CITY, MO.—**James E. Gibson**, formerly with Harris, Upham & Company, has become associated with **H. O. Peet & Company**, 23 West Tenth Street.

(Special to The Financial Chronicle)

MILWAUKEE, WIS.—**Lyman J. Rigby** has become connected with **Marshall Company**, 762 North Water Street. Mr. Rigby was previously with Paine, Webber & Company.

(Special to The Financial Chronicle)

MERIDEN, CONN.—**Harold P. Thomas** has become associated with **Fahnestock & Company**, 205 Church Street, New Haven, Conn. Mr. Thomas was formerly with the Meriden office of A. M. Kidder & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **Morris J. Halloran**, formerly with Lewis W. Thomson & Co. for a number of years, is now with **Bankers Bond & Securities Co.**, 418 Olive Street.

"Reported Missing"

When the late twenties ended, together with the long period of prosperity, several million people, who had obligated themselves beyond their liquid assets, faced law suits, which arose from the purchase of stocks and securities, foreclosures of mortgages, charge accounts, broken leases and other indebtedness. Many in their desire to "duck the issue," felt that it would be a simpler matter, if they removed from their residence or business and "left no forwarding address." Some overlooked the fact that a few of their apparently worthless transactions might be of value in the future.

In the latter part of 1930, many banks were brought under the jurisdiction of the various State Banking Commissioners for liquidation. These Commissioners were then confronted with the problem of locating thousands of stockholders and depositors. The stockholders were sought for the purpose of suit and the depositors for the purpose of returning to them their own funds. One New York bank alone furnished the problem of finding more than 7,000 such individuals.

Since the Banking Departments had no investigating staff to cope with a situation of this sort, the task was assigned to the Skip Tracers Company of New York, a firm that had long specialized in the field of tracing missing people. This concern is the only one of its kind in the United States and has been instrumental in locating more than 185,000 "lost individuals" in the past 18 years.

In a recent merger between two nationally known corporations, the Skip Tracers Company was called in to find 420 missing stockholders whose addresses, listed on the stock certificates, were dated prior to 1920. Within one month's time they succeeded in locating 85% of these persons and are still in the process of searching for the balance.

Frequently brokers are anxious to locate missing owners of obsolete securities. Here, too, this firm of Modern Hawkshaws plays an important part. In one such instance they were assigned to find two owners of these obsolete securities, whose addresses had not been known since 1914. One was found in St. Petersburg and the other in Seattle, and both were pleasantly surprised to learn that they were the possessors of $21,000 worth of certificates they had long since thought valueless.

It can be safely estimated that more than a billion dollars are lying dormant in this country in the form of unclaimed bank deposits, insurance, stock and stock dividends, inheritances and other types of dormant assets too numerous to mention.

TRADING MARKETS IN
REAL ESTATE
SECURITIES
★ ★ ★
SHASKAN & CO.
Members New York Stock Exchange
40 EXCHANGE PL., N.Y. DIGBY 4-4950
Bell Teletype NY I-953

Tomorrow's Markets Walter Whyte Says—

Top signs increase in spite of Tuesday's strong close and yesterday's big opening.

By WALTER WHYTE

The word is now out that the minor decline of the latter part of last week and the slight further market shading of this one marks off the end of the technical reaction, and from now on there is only one way for the market to go—up. It's a feeling that has already gained a lot of new adherents. Brokerage house market letters, market services and others are seemingly now of one opinion.

* * *

Get aboard before the band wagon starts rolling. This bullish sentiment was further intensified when the market suddenly shot up Tuesday afternoon.

* * *

On the next day's opening, Wednesday, prices opened still higher. In fact the Dow averages which closed the previous night at 115.22 opened Wednesday at 115.57, a gain of some 30-odd cents. And in the next 20 minutes added another 30c to make approximately 116.

* * *

Everything was nice. The market was off to the races again and people were jamming order room windows to place orders. Whether or not this was actually happening I don't know. I'm just repeating the messages I received from enthusiastic telephone callers who claimed "I am right in . . . . . & Co's customer's room and I can see it happening! ! "

* * *

All this leaves me cold. If people are stepping on each other's heels to buy stocks it simply is another reason for me to feel anything but optimistic.

* * *

Up to last Tuesday everybody could see that the market was dull on sell-offs and volume picked up whenever prices showed a tendency to go up. That this helped along the feeling of bullishness was easy to see. But yesterday, after the flash opening, activity began to increase not on the up but on the down side.

* * *

This doesn't mean the market will go right down from present levels, or if it does, that it will break wide open. There are too many public orders right under the present market. But let these orders be filled and you will see prices a lot lower than they are today.

* * *

There are some shorts in the market but most of them are small ones with a tendency to run on the first bulge. So their supporting effect on any declining market will probably be negligible.

* * *

The question has come up as to whether or not I consider this a bull market. The answer is a flat yes. For basically the change I saw when the averages were about 25 points lower and when I recommended the purchase of stocks, is still present. But I'm not an investor (using the classic interpretation of the word investor). I'm a trader. And as a trader I'm concerned with only one thing—profits. If I think a stock, or the market, indicates an up move I advise readers accordingly. When certain indications begin appearing showing what I believe is a top I recommend profit taking. The fact that the basic trend may still be up has nothing to do with my decision.

* * *

Even in bull markets too much money has been lost in holding on through swings for me to overlook what technicians call "technical corrections." During technical reactions I'd rather be out of stocks than be sitting there with a hatful biting my nails and phoning everyone I knew asking them what they thought of the market.

* * *

As I'm writing this the market has gotten duller. Here and there a few stocks are off from their openings. The averages will probably show a figure of 116 during the day. I don't believe the 116 figure will be bettered by much, if at all. Instead, I now look for a reaction which will take industrials back to under 110.

* * *

The element of time is naturally important. The longer it takes for the market to get down to the 110 level (or an approximation of it) the stronger will be the subsequent rise. But in any event current market action is anything but conducive for new purchases.

* * *

As of last night the stocks you still hold were as follows·

* * *

Air Reduction bought at 30, half profits taken at 35, is now about 37 and a high fraction. Last week's stop was 34. Raise it now to 35.

* * *

Allis Chalmers, bought at 23, half profits taken at 26, is now about 27. The stop of 24 given last week should now be raised to 24½.

* * *

Crane, bought at 12, was to be sold at 14 or better (see last week's column). During Tuesday afternoon's hectic

(Continued from page 1431) . . .

Defaulted Railroad Bonds

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway New York
Telephone—DIgby 4-4933 *Bell Teletype*—NY 1-310
RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The financial community, or at least that large section of it whose interest has centered on the reorganization railroad list, had a rather severe shock last week when the revised plan of reorganization for the New Haven was filed by the Interstate Commerce Commission with the District Court. The original plan had been rejected by the District court almost a year ago, in December, 1941.

In rejecting the original plan Judge Hincks had specifically objected to the treatment accorded various divisional liens, on the basis that the new proposed blanket mortgage of the New Haven did not have as large earning power as the old divisionals that were being extinguished. It was contended, therefore, that allocation of even 100% of the old claim in the new blanket First Mortgage was not supportable on the record. The record did not show any evidence of added elements of value in the new First Mortgage to compensate for the earning power being sacrificed by holders of the old divisionals, for the extension of maturity dates being demanded of the old divisionals, and for the lowering of interest rates in many instances.

The court did leave the way open for a finding by the ICC that there were elements of added value in the new blanket First mortgage bonds in commenting that the added value might lie in the establishment of a sinking fund for the new bonds or the fact that the larger new First Mortgage would enjoy greater marketability. Any student of railroad bonds, however, knew that the lack of market interest in a small strong divisional did not detract from the investment merit of the bonds and that the factor of the modest sinking fund provided in the plan for the new New Haven First Mortgage did not compensate for loss of earning power, extension of maturity, and, in some instances, reduction in interest rates asked of the old New Haven divisionals.

It had been expected, therefore, that the Commission would give weight to the opinion of the court, and provide better treatment for the old New Haven liens of the type of the Housatonic 5s and Central New England 4s. In its revised plan the Commission failed to give this recognition to the claims of holders of the old divisionals, finding, on the contrary, that there were added elements of value in the new blanket mortgage that compensated for the proposed sacrifices. The shock to the market was apparent in the drop of 11 points in quotations for the Housatonic bonds in the course of one week.

While the attitude of the Commission towards the claims of the divisional bonds was a distinct shock, there was another aspect of the situation which was of even greater import to the reorganization market as a whole. Subsequent to rejection by the District Court of the original ICC plan, large interest payments on account of accrued interest on the old bonds were authorized. In the last authorization the full accrued interest on the senior mortgage issues was paid off. In the original reorganization plan this accrued interest had received the same treatment as the principal of the bonds. With the aggregate amount of claims thus reduced there had been a belief in many quarters that the junior claims (that is bonds that had not received their full value in new fixed interest bonds) would receive more liberal treatment in the revised reorganization.

The Commission had set a maximum new fixed interest capitalization in its original plan and it was expected that the revised plan would provide at least as large a new fixed interest debt. If so, the amount of fixed debt released by the payment of accrued interest in cash would logically be distributed to the remaining claims. The Commission apparently did not see it quite that way, but went ahead on the theory that the fortuitous circumstances that brought large earnings and thus large cash balances should be utilized to make still more conservative a capitalization that had originally been designed as depression proof.

Instead of granting larger allocations of new fixed interest bonds to holders of bonds secured by the old First & Refunding Mortgage, the Commission merely reduced the proposed new fixed debt to $136,959,000 and new fixed interest to $5,326,000 compared with roundly $152,000,000 and $6,420,000, respectively, contemplated in the original plan. Filing of the revised plan had a sobering effect on most of the New Haven securities (except for New England Railroad bonds which were the only ones to benefit from the revision) but had little repercussion on the rest of the reorganization market. Speculators are apparently continuing in their belief that the action of the Commission in the New Haven case does not establish a precedent. In particular, market action of the Rock Island issues, some of the 'Frisco liens and the Missouri Pacific First & Refunding 5s indicates that the general speculative public continues of the opinion that the possibility of rejection of existing plans ('Frisco has already been rejected), and subsequent settlement of some strong outstanding claims in cash carries the potentiality of correspondingly more liberal treatment of the remaining claims.

We maintain net trading markets in most of the medium-priced Rail Bonds, particularly obligations of
New York Central
Illinois Central
Lackawanna
Lehigh Valley
Southern Pacific, etc.
We are generally able to offer registered bonds of these roads at substantial concessions from current coupon bond market.
LEROY A. STRASBURGER & CO.
1 WALL STREET, NEW YORK
WHitehall 3-3450 Teletype: NY 1-2050

MINNEAPOLIS & ST. LOUIS RAILROAD
(in reorganization)
Minn. & St. Louis New 2nd 4s, W.I.
Minneapolis & St. Louis 6s 1932
Minneapolis & St. Louis 5s 1934
Minneapolis & St. Louis 4s 1949
Minneapolis & St. Louis 5s 1962
Iowa Central 5s 1938
Iowa Central 4s 1951
Des Moines & Fort Dodge 4s 1935
Frederic H. Hatch & Co.
Incorporated
63 Wall Street New York, N. Y.
Bell Teletype NY 1-897

As brokers we invite inquiries on blocks or odd lots of
HIGHEST GRADE RAILS
We also maintain net markets in
SEABOARD ALL FLORIDA
6s/35 Bonds & Ctfs.
SEABOARD AIR LINE
1st 4s, '50, Coupon & Registered Bonds & Certificates
SEABOARD AIR LINE
Consol. 6s/45 Bonds & Ctfs.
l. h. rothchild & co.
specialists in rails
11 wall street n.y.c.
HAnover 2-9175 Tele. NY 1-1293

AMERICAN MADE MARKETS IN CANADIAN SECURITIES
Aldred Investment 4½s, 1967
Brown Co. All Issues
Canadian Pacific Railway
3s 1945, 3½s 1951, 4½s, 1960
International Hydro-Elec. 6s, 1944
Minnesota & Ont. Paper All Issues
Montreal Light, Heat & Power
3s 1956, '63, '73
Canadian Bank Stocks
Brazil Traction Lt. Pr. Com.
Distillers, Seagram Ltd.
Imperial Oil Ltd.
Quebec Pulp & Paper Pfd.
Sun Life Assurance
HART SMITH & CO.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

Reorganization
Progress and Earnings
Bulletin
SEABOARD AIR LINE RAILWAY COMPANY
Available on Request
All Issues Bought — Sold — Quoted
VAN TUYL & ABBE
72 WALL STREET
NEW YORK

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—44: low—14¾; Oct. 21 price—41¾.

Now Burnside, Cooper Co.

The firm name of Nickle, Crone & Co., Limited, 30 Pine Street, New York City, has been changed to Burnside, Cooper & Co., Limited.

Douglas Crone, President of Nickle, Crone & Co. is now serving in the Royal Canadian Air Force.

Fireman's Fund Ins.

Home Fire
& Marine Ins.

Occidental Ins.

Bought—Sold—Quoted

A. M. Kidder & Co.
*Members New York Stock Exchange
and other leading exchanges*
1 WALL ST. NEW YORK
Telephone DIgby 4-2525

**Bank and
Insurance
Stocks**

*Inquiries invited in all
Unlisted Issues*

Laird, Bissell & Meeds
Members New York Stock Exchange
120 BROADWAY, NEW YORK CITY
Telephone: BArclay 7-3500
Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Philadelphia
Bank Stocks
Central-Penn National Bank
Fidelity-Phila. Trust Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Phila. Transportation Co.
3-6s 2039, Pfd. & Common
H. N. NASH & CO.
1421 Chestnut Street, Philadelphia
Phila. Phone Locust 1477
New York Phone HAnover 2-2280
Teletype PH 257

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

DIVIDEND NOTICE

**American Woolen
COMPANY**
INCORPORATED

225 FOURTH AVE., NEW YORK, N. Y.

AT a meeting of the Board of Directors of the American Woolen Company held today, a dividend on the Preferred Stock of $2.00 a share on account of arrears was declared, payable November 17, 1942 to stockholders of record November 2, 1942. Transfer books will not close. Checks will be mailed.

F. S. CONNETT,
Treasurer

October 21, 1942.

Bank and Insurance Stocks

This Week — Bank Stocks

For the third time in less than two months, reserve requirements on demand deposits have been lowered at the principal money centers, New York and Chicago. This action has been quite in line with the expectations of most monetary authorities in view of the necessity for increasing the supply of investment money available to the large metropolitan banks. The latest cut (to 20%) in New York and Chicago places them on a par with the other large Reserve centers and, for the first time in many years, brings about a uniform rate for all the Federal Reserve Districts. The reserve position in New York and Chicago has been extremely tight for some months due largely to the fact that, since our war effort has gone into high gear, more money has been raised than has been spent in these centers. Apparently this will continue to be a characteristic of our armament program which calls for considerable decentralization and dispersion of manufacturing activities.

Despite the fact that bank credit expansion has been proceeding apace and that bank deposits, for the country as a whole, are growing at an unprecedented rate, deposits of the large New York banks are no higher than they were a year ago. In some cases, they are actually lower. The situation in Chicago is more representative of the general banking trend, partly because there are not so many large banks located there and partly because proportionately more defense work is being handled in the Chicago district. Bank deposits in Chicago have increased about 10% over a year ago.

Even though deposits may not rise as rapidly in New York and Chicago as elsewhere, the easier reserve requirements will permit of a substantial increase in funds employed. Already, according to the condition statements of Sept. 30, 1942, earnings assets have been considerably enlarged. Needless to say, this expansion is entirely attributable to the step-up in holdings of Government bonds. Loans and discounts have, in most cases, actually been falling, due to priorities and the rationing of commodities, restrictions on instalment financing and the liquidation of many so-called nonessential businesses. Authorities differ as to the probable trend of commercial loans from this point but it is probably immaterial, from a banking standpoint, whether their money is to be utilized directly (through loans) or indirectly (through investment in Government bonds). Apparently the banks will obtain approximately the same return either way.

It is probably safe to say that ordinary commercial loans will continue to drop but, if the development of V-loan financing and "revolving credits" runs its expected course, the over-all aggregate of loans and discounts is almost bound to assume the same astronomical direction as the Government debt. For the duration, at least, the banking industry will hereafter be operating "at capacity" and its capacity will also be greatly enlarged with the growth of deposits, on the one hand, and the lowering of reserve requirements on the other. The banks will no longer idle along, as they have done for a number of years, with 50% or more of their funds in cash and short-term paper.

It is interesting to observe the changes that have already taken place in the balance sheets of the big banks since Pearl Harbor. The following tables show the shift in principal asset items for the three largest New York banks and the two largest Chicago banks during the past year:

CASH AND DUE FROM BANKS

(In Millions)	Sept. 1941	Sept. 1942
Chase National	$1,328	$946
Guaranty	909	572
National City	925	793
Continental Ill.	818	514
First (Chicago)	463	419

U. S. GOVERNMENT HOLDINGS

(In Millions)	Sept. 1941	Sept. 1942
Chase National	$1,339	$1,797
Guaranty	1,158	1,485
National City	1,154	1,476
Continental Ill.	624	1,134
First (Chicago)	433	755

LOANS AND DISCOUNTS

(In Millions)	Sept. 1941	Sept. 1942
Chase National	$773	$809
Guaranty	521	487
National City	621	578
Continental Ill.	256	258
First (Chicago)	395	389

PER CENT OF DEPOSITS IN CASH

	Sept. 1941	Sept. 1942
Chase National	37%	26%
Guaranty	38	24
National City	31	27
Continental Ill.	50	28
First (Chicago)	36	26

It is obvious, from the above figures, that banking funds are now being more actively employed than at any time during the past decade. In fact, since the outbreak of the European war, earnings assets of most of the large banks have approximately doubled. For example, total loans and investments of the Chase National Bank (excluding real estate and mortgages) now aggregate nearly $3 billions as compared with $1.6 billions in the summer of 1939; Guaranty Trust now has earnings assets of more than $2 billions versus $1.1 billion in 1939; for National City, the figures are $2.3 billions versus $1.2 billion.

Needless to say, gross income of the banks is now running at a very high level. Net income, as in most other cases, is at the mercy of the tax collector. Thus far, at least, the larger banks have been able to absorb the higher tax burdens and, if the pending Revenue Bill is put through according to the specifications now indicated, they should have no difficulty in continuing to earn about as much as they have been in recent years. After ultra-conservative tax and contingency reserves, earnings for the third quarter of 1942 and for the first nine months compare favorably with the corresponding periods of last year when taxes, as far as the banks were concerned, did not amount to a great deal.

IBA War Finance Conference Meets

(Continued from first page)

IBA, has a patriotic duty to simply keep going so as to be in existence and ready to function throughout the war and post-war periods, Mr. Fleek said. "Investment banking is in indispensable function in our national economy and its efficient machinery needs to be maintained for its vital role in the post-war period of world rehabilitation and conversion of industry to peacetime production."

The work on war finance has not been without benefits to the securities business, Mr. Fleek indicated in saying that a unified industry has resulted from the concentration of all elements in the business on selling Government bonds. War has also made State Commissioners and the Securities and Exchange Commissioners realize more clearly that they had mutual interests with the investment bankers, he said. "This is a natural result," he added, "for we are all brought closer together by the unselfish desire for national unity and by an appreciation and respect for our common sacrifices, gladly made, to help win the war."

The remarks of the various speakers, the annual address of President Fleek, and the inaugural address of the incoming President, Jay N. Whipple of Bacon, Whipple & Co., Chicago, as well as several reports which featured the meeting, will be given in detail in a latter issue of our paper.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1429)

trading it reached 14⅛. You should have accepted the profit.

* * *

International Harvester, bought at 43, half sold at 50, is now about 52½. This represents a paper profit on the remaining half of almost 10 points. Last week's stop on Harvester was 48. I now advise raising it a point to 49.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Henry Briggs Is A Major

Henry P. Briggs of Henry P. Briggs & Company, Boston, will take a leave of absence from the business. He has been commissioned a Major in the Army Specialist Corps and assigned to the Operations Division of the War Department General Staff in Washington.

Major Briggs served overseas in the last war as Captain and Adjutant of the 302nd Infantry.

Business will be continued as usual by his partner, C. Graham Hurlburt.

Australia and New Zealand

BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

SIR ALFRED DAVIDSON, K.B.E.,
General Manager
Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

Result Of Treasury Bill Offering

The Treasury Department announced Oct. 19 that tenders for $500,000,000, or thereabout, of 91-day Treasury bills to be dated Oct. 21, and to mature Jan. 20, 1943, which were offered on Oct. 16, were opened on Oct. 19.

The details of this issue are as follows:

Total applied for, $984,842,000.

Total accepted, $505,072,000.

Range of accepted bids:

High, 99.925, equivalent rate of discount approximately 0.297%.

Low, 99.905, equivalent rate of discount approximately 0.376%.

Average, 99.906, equivalent rate of discount approximately 0.373%.

(36% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 21 in amount of $351,862,000.

The Treasury decided to increase its weekly offering of bills to $500,000,000 in view of the fact that maturities over the next several weeks approximate $350,000,000. However, the rise gives the Treasury an additional $50,000,000 in "new money" each week. For the past five weeks the bill offering has been $400,000,000 and, since maturities were $300,000,000, "new money" amounted to only $100,000,000 each week.

N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc. announce that R. E. Woodruff, President of the Erie Railroad, will speak at their luncheon meeting on Friday, Oct. 23 at Block Hall, 12:30 p.m. Mr. Woodruff will discuss the position of the reorganized Erie Railroad.

On Wednesday, Oct 21, the speaker at the Association's luncheon meeting was E. S. Phillips, President of Devoe & Raynolds who will discuss the paint industry during and after the war.

**INTERNATIONAL HARVESTER
COMPANY**

Quarterly dividend No. 97 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable December 1, 1942, has been declared to stockholders of record at the close of business November 5, 1942.

SANFORD B. WHITE, Secretary.

**NATIONAL DISTILLERS
PRODUCTS CORPORATION**

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on November 2, 1942, to stockholders of record on October 15, 1942. The transfer books will not close.

THOS. A. CLARK
September 24, 1942 TREASURER

Redeem Part of French 7s

J. P. Morgan & Co. Inc., as sinking fund administrators, on Oct. 14 notified holders of the Government of the French Republic external loan of 1924 25-year sinking fund 7% gold bonds due Dec. 1, 1949, issued under loan contract dated Nov. 22, 1924, that $3,992,500 principal amount of these bonds have been drawn by lot for redemption on Dec. 1, 1942 at 105%.

The drawn bonds will be redeemed and paid on and after the redemption date, in United States dollars, at the office of the sinking fund administrators, 23 Wall Street, New York City. Interest on the drawn bonds will cease after Dec. 1, 1942. The announcement further says:

"The Government of the French Republic is notifying holders of the drawn bonds that payment will be made either upon presentation of the bonds to J. P. Morgan & Co., Inc., in United States dollars, or upon presentation at the office of Messrs. Morgan & Cie, Chatel-Guyon, France, in the French franc equivalent of the dollar amounts specified.

"In order to comply with the decrees of the French Government dated July 16, 1935 and Aug. 25, 1937, the bonds drawn for redemption, and coupons maturing on Dec. 1, 1942, will be redeemed by payment as follows: (a) Bonds which are stamped to indicate non-French beneficial ownership will be redeemed at 105%, and coupons which are similarly stamped will be paid at the face amount; (b) Bonds which are stamped to indicate French ownership, and unstamped bonds, will be subject to a deduction of 10% of the difference between the issue price and the redemption price (a deduction of 1.1% of the principal amount), when in the ownership, French or foreign, of others than individuals. Coupons which are stamped to indicate French ownership, and unstamped coupons, will be subject to a deduction of 10% of the face amount, when in the ownership, French or foreign, of others than individuals."

Attractive Outlook

The earnings outlook for the 40 Wall Street Building, Incorporated, is particularly attractive at the present time according to an analysis issued by Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City. Copies may be had from Seligman, Lubetkin & Co. upon request.

The Securities Salesman's Corner

A PLAN TO BUILD UP YOUR BUSINESS

(Part One)

Build a reputation for yourself! This has been the advice of every man who ever made a success in any line of business. Every year hundreds of millions of dollars are expended upon advertising by the nation's greatest business organizations. From such staples as breakfast foods and cigarettes to luxurious Cadillac cars the pages of our papers and magazines, and our radios, constantly pound away at one major theme—**a good name, reputation.** The success of this policy is obvious by the results obtained.

Probably no field of business endeavor offers a better opportunity for building up a reputation for good service and fair dealing than the business of merchandising investment securities. To say that this opportunity has been overlooked by many securities firms would be putting it mildly. However, it is not our intention to be critical of the securities business (there is enough of that anyway) but rather, we would like to offer the following constructive plan as one method of achieving that most desirable goal—**your customers' buying from you instead of your selling them.**

What does a national advertiser do when he starts out to develop his business? One of the first steps is to make a survey of his market. The second step consists of picking out the type of people who would be most interested in his product. Take the example of the automobile. One manufacturer stresses low cost of operation and utility, another goes into the higher price field. Both have selected their markets and they **stick to the appeal and the product** which eventually brings them success. This is nothing more than **specialization** drawn out to its most efficient point.

Now let's apply this principle to the securities business. For instance, we have the National Daily Quotation Service sheets, that come to us every business day. Here in these pink, yellow and green sheets repose some of the greatest opportunities for business building we could ever ask for. This is the investment dealer's market as well as his bread and butter, and better still, here lie some of the most outstanding money making opportunities that exist anywhere. Time after time we have followed stocks or bonds listed in the pink or yellow sheets until we have become convinced they were a bargain, and in many cases the resulting profits have been far greater than is ever imagined by thousands of investors who **have never been told the real story of the opportunities that do exist in the over-the-counter market.**

From our own experience we are convinced that there is a very large group of securities buyers who like to hear about "sleepers." There are people who like to speculate and despite all the efforts to take the speculation out of the securities markets these people still exist. In fact, it seems again to be our experience that it is less difficult to find investors who will gladly listen to a story about an "interesting speculation" than it is to sell them other types of securities. Everybody likes to try and get something for nothing—nobody will admit it!

So why not specialize in **sleepers**, or in **opportunities**, or in **special situations**, or whatever you wish to call them, it's all the same thing. A **reputation** can be established with your customers that **you and your firm can be relied upon periodically to bring forward certain money making opportunities**—and, gentlemen of the order pad and pencil, if you can ever get to the point where you have established this reputation, you won't have a securities business any more—you'll be the proud possessor of the most pleasant way to make a living that exists this side of heaven.

Next week we are going to present some of our ideas (based upon actual experience) that you can use to develop your business along these lines.

Stany Gets Tentative List of 1943 Nominees

The Nominating Committee of the Security Traders Association of New York, Inc., has submitted the following tentative list of nominations for the year 1943:

President: B. Winthrop Pizzini, B. W. Pizzini & Co.

First Vice-President: James F. Musson, B. J. Van Ingen & Co., Inc.

Second Vice-President: William K. Porter, Hemphill, Noyes & Co.

Treasurer: George V. Leone, Frank C. Masterson Co.

Secretary: John S. French, A. C. Allyn & Co., Inc.

Three Directors for Two Years: Joseph Nye, Freeman & Co.; Tom Moore, Henry Hentz & Co.; L. A. Gibbs, Laird, Bissell & Meeds.

Two Trustees for Gratuity Fund: Charles H. Jann, Estabrook & Co.; Walter Kennedy, A. M. Kidder & Co.

Four Delegates and Three Alternates: Delegates—Cyril M. Murphy, Mackubin, Legg & Co.; Thomas A. Larkin, Goodbody & Co.; Wellington Hunter, Hunter & Co.; Wm. Henry Pflugfelder, Pflugfelder, Bampton & Rust. Alternates—George Kranz, Amott, Baker & Co.; Charles King, Chas. King & Co.; Harold B. Smith, Sweetser & Co.

The annual meeting and election will be held on Dec. 4 at the Produce Exchange Luncheon Club.

Preferred Stock Guide

The October number of "The Preferred Stock Guide" has just been issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. The "Guide" which contains quotations, price range, dividend information and other interesting comparative figures, arranged in tabular form, may be had upon request by writing to G. A. Saxton & Co.

George F. Neuman Joins Staff Of Dalton, Riley

(Special to The Financial Chronicle)

WAUWATOSA, WIS. — George F. Neuman has become associated with Dalton, Riley & Co., First Wisconsin National Bank Building, Milwaukee, Wis. Mr. Neuman for many years has conducted his own investment business in Wauwatosa.

Clinton Whitehead With Merrill Lynch, Pierce

(Special to The Financial Chronicle)

MIAMI, FLA. — Clinton S. Whitehead has become associated with Merrill Lynch, Pierce, Fenner & Beane, 169 East Flagler Street. Mr. Whitehead was recently with John Nuveen & Co. Prior thereto he was a partner in Atwill & Co. and in the past was associated with Fenner & Beane.

Sees Lottery Way To Raise War Billions

According to computations of Jerre R. Crawford of W. F. Churchman & Co., Indianapolis, Ind., "The easiest, surest, quickest and most painless way of raising the countless billions of dollars appropriated by our National Congress to finance the present emergency, together with all the past and present whims of the New Deal, is to legalize, establish and operate a National Lottery, with 52 weekly drawings each year. It has been, and is being done here, and in most other parts of the United States, illegally and privately; it is being done in other countries both legally and illegally.

"Figuring on an ultra conservative basis, the population of the United States would buy, in Lottery Tickets at $1 per copy, an average of from more than one, up to and including maybe four to six times that amount, based on an average of one buyer to each of population, 130,000,000 (1940 census), which, multiplied by 52 (weeks), gives an annual gross income of $6,760,000,000. Drawings weekly.

"Allowing the Government, on this basis, 75% gross, of the weekly 'take,' plus all above the estimated figure, and also plus all winning tickets on hand after drawings and, last, but not least, plus sale to foreign countries, would give an annual income that would pay for the War, etc., so quick that income taxes would be outmoded.

"On the estimated gross sale of $6,760,000,000—25% in prizes—tax free, both State and Federal, there would be available $32,500,000 for prizes each week."

No. Weekly Prizes	Amount Each in Thousands	Total
1	500	$500,000
1	400	400,000
1	300	300,000
1	200	200,000
1	100	100,000
2	95	190,000
3	90	270,000
4	85	340,000
5	80	400,000
6	75	450,000
7	70	490,000
8	65	520,000
9	60	540,000
10	55	550,000
11	50	550,000
12	45	540,000
13	40	520,000
14	35	490,000
15	30	450,000
16	25	400,000
17	20	340,000
18	15	270,000
19	10	190,000
110	9.5	1,045,000
115	9	1,035,000
120	8.5	1,020,000
125	8	1,000,000
130	7.5	975,000
135	7	945,000
140	6.5	910,000
145	6	870,000
150	5.5	825,000
155	5	775,000
160	4.5	720,000
165	4	660,000
170	3.5	595,000
175	3	525,000
800	2.5	2,000,000
1800	2	3,600,000
2000	1.5	3,000,000
3000	1	3,000,000
9789 Prizes		*$32,500,000

*Taxfree weekly prizes.

Insured Investment With Liberal Return

The Danielson Federal Savings and Loan Association, 84 Main Street, Danielson, Conn., will be glad to send a booklet and full particulars on insured Federal Savings & Loan investments, which offer, the association declares, unusual opportunities for safety and liberal return on investment. Current dividend rate of 3% per annum.

NATIONAL SECURITIES SERIES
Bond Series Low-priced Bond Series Income Series
Preferred Stock Series Low-priced Common Stock Series
International Series
FIRST MUTUAL TRUST FUND
COMMODITY CORPORATION-CAPITAL STOCK
Prospectuses upon request
NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York :: Russ Bldg., San Francisco

Investment Trusts

Ed. Note: Developments beyond our control make it necessary for us to retract the comments contained in the lead-off portion of last week's column.)

MORE ABOUT INFLATION

No doubt many people are tired of hearing about inflation. For all we know, they may be the same people who got tired of hearing about war "scares" in 1938 and 1939. If you, gentle reader, be such a one, we recommend that you get hold of a copy of Calvin Bullock's "Perspective" for October.

The bulletin isn't wordy. It doesn't go into the subject very deeply. But it does present a few simple facts which of themselves will make the thoughtful stop and take notice. Here is a sampling of what it contains:

"A period of inflation has followed every major war in history. Certainly there is nothing in the fundamentals of our current economic situation to justify the belief that the present war will prove to have been an exception. Indeed, just as this global war exceeds in the magnitude of its military operations anything that the world has ever seen, so too are the expansion of national debt and inflation of credit beyond any experience of the past.

"It is now estimated that government expenditures in the 1943 fiscal year will reach a total of about $84,000,000,000. Probably only about 60% of this total will be absorbed back into the Treasury through taxation and nonbanking purchase of government securities. The difference, about $34,000,000,000, represents a gap that will have to be filled by the creation of bank credit. This means a further inflation of our already swollen money supply, representing an increase in purchasing power equal to more than 30% of the present national annual income. As contrasted with this projected purchase of $34,000,000,000 of government securities by the commercial banks over the next year, it may be noted that in 1919, the year of greatest expenditures in the first world war, bank purchases amounted to $2,000,000,000, or about 3½% of the national income."

* * *

The George Putnam Fund reports total net resources increased from $4,914,000 on last June 30 to $5,335,000 on Sept. 30. Shares outstanding gained 19,460 during the quarter and the liquidating value of each share increased from $10.39 on June 30 to $10.83 on Sept. 30.

Portfolio additions and eliminations during the quarter were as follows: Additions — Atlantic Coast Line Coll. 4s, 1952, Empire Gas & Fuel Deb. 3½s, 1962 Southern Pacific 1st 4s, 1955. Western Union 5s, 1960, Wisconsin Central 1st 4s, 1949, Guaranty Trust, Lima Locomotive, and Phillips Petroleum. Eliminations—Atlantic Coast Line 1st 4s, 1952, Baltimore & Ohio 4% Notes, 1944, Associated Telephone $1.25 Pfd., and Standard Oil of California.

* * *

There are only three American "leverage" open-end investment companies in existence today and because under present laws no more funds of this type can be created, the performance of this exclusive little group is of especial interest. Republic Investors Fund, one of these three leverage companies, has just published a little folder showing the performance of its shares during the period from June 10, 1940, through Oct. 5, 1942.

This particular period was selected because "in a sidewise or declining market the ability of management is tested." During this more-than-two-year span the Dow-Jones Industrial Average showed virtually no net change, standing at 111.84 on June 10, 1940, and at 111.93 on Oct. 5, 1942. In comparison, the bid price of Republic Investors shares rose from $2.38 to $2.78, a net gain of 16.8%. In addition, Republic Investors paid dividends totaling 68 cents during this period, representing a return of 28.6% on the June 10, 1940, bid price of the shares.

* * *

During the month of September the common stock holdings of the American Business Shares portfolio were increased to 64.2% from 55.7%. Bonds were increased

(Continued on page 1439)

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PL. JERSEY CITY
634 SO. SPRING ST. LOS ANGELES

Keystone
Custodian Funds
BONDS
Business Men's Investment Bond Fund . . . B1
Medium Priced Bond Fund B2
Low Priced Bond Fund B3
Speculative Bond Fund B4
PREFERRED STOCKS
Income Preferred Stock Fund K1
Appreciation Preferred Stock Fund K2
COMMON STOCKS
Quality Common Stock Fund S1
Income Common Stock Fund S2
Appreciation Common Stock Fund S3
Low Priced Common Stock Fund S4
Prospectus may be obtained from your dealer or from
THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON

Municipal News & Notes

Activity in the municipal market last week was distinguished by the sale of a series of local housing authority bond issues aggregating more than $20,000,000. In each instance the borrowing agency succeeded in disposing of its obligations on very attractive terms. Moreover, the successful bidders were equally fortunate with respect to the response to the reoffering of the bonds from investment quarters.

It has long been evident, of course, that this type of security enjoys an investment status that heavily belies its relative newness in the tax-exempt field. This has been increasingly apparent in the greater interest exhibited by more and more investment firms in the various issues reaching the market.

The sales recently effected greatly illustrated this trend. The purchasing syndicates in not a few instances included prominent firms in the tax-exempt field which had not previously been identified with local housing bond issue borrowings. In the case of the $9,137,000 Pittsburgh issue, for example, the Mellon Securities Corp. joined with Shields & Co. in making the successful bid. This was the first permanent housing financing in which the city has participated and, in connection with the issue, mention should be made of the fact that the offering represented the first extension of housing authority bond maturities in the 1980s. This, of course, reflected further manifestation of increasing confidence in banking and investment circles in securities of this nature.

Arkansas To Provide Added Protection for Debt Service

Evidence that the State of Arkansas intends to maintain the maximum of protection for its bondholders is seen in the recent statement of Governor Homer M. Adkins that he will ask the State Legislature to add $1,500,000 of surplus money in the highway fund to the $5,400,000 "cushion" already in the State highway refunding bond fund.

"This step," the Governor said, "will further protect our bonds," and he also stated that "it is our conscientious opinion that even though the gasoline and tire rationing should decrease our revenue 50%, the State will be able to promptly meet all debt service requirements for a period of eight years."

In line with this statement, which was contained in a letter from the Governor to John S. Linen, Vice-President of the Chase National Bank of New York, an accompanying memorandum showing a comparison of State highway revenues and related data, prepared by F. A. Storey, Jr., Supervisor of Refunding Department, showed a decline of no more than 8.70% in State highway revenues for the six months ending September, 1942, as compared with the corresponding months of last year.

Broward Co. Port Authority Approves Refunding Plan

A new refunding plan applicable to $3,739,000 of outstanding bonded debt was recently approved by the above-mentioned Florida taxing unit. The new refundings will have a final maturity date of 1970 and a maximum int. rate of 4% except during the first year. The refunding details will be handled by John Nuveen & Co., Chicago, and is designated to effect a saving of $731,255 in interest charges as compared with the existing set-up. The Port Authority, it is said, will do the refunding under its name, with the result that any liability formerly shared by municipalities in the indebtedness will be eliminated.

Effect Of Gold Mines Closing On So. Dakota's Economy

The recent order of the War Production Board calling for a halt of virtually all gold-mining operations in the country, after a period of 60 days from the date of the directive, will occasion severe repercussions to the financial economy of the State of South Dakota, home of the Homestake Gold Mine, leading producer of the yellow metal in the United States. This is seen in the fact that about one-sixteenth of South Dakota's entire tax revenue last year resulted from the operations of the Homestake company, it is noted in a dispatch from Lead, S. Dak., published in the Baltimore "Sun" of Oct. 13, from which the following information has been extracted:

"South Dakota will lose its largest industrial payroll, and this Black Hills town of 8,000 its principal reason for existence when the WPB order halting gold-mining operations becomes effective in 60 days.

"Lead (named not for the metal, but for the miner's term meaning a mineral deposit filling a fissure in rock) is the home of the Homestake Gold Mine, leading producer of the yellow metal in the United States, with a 1941 output valued at $19,529,080 and a production in its 66-year history of more than $420,000,000 in gold bullion.

"The mine, which takes its name from the claim staked out on April 9, 1876, by Fred and Manuel Moses, who later sold out to a group headed by William Randolph Hearst's father, now employs 2,000 men, a substantial proportion of the income-earning family heads in the Black Hills section of South Dakota.

"Loss of the annual payroll of $5,000,000, said Robert Driscoll, President of the First National Bank of the Black Hills, will be a 'far-reaching catastrophe to the entire State.'

"He explained that the mine paid an ore tax last year of $1,125,000, about one-sixteenth of the State's entire tax revenue.

"South Dakota, he added, already had suffered one severe blow as a result of the war, a 40 to 60% decrease in revenue from tourists who, until tire and gasoline rationing was established in the East, flocked to the Black Hills in thousands to see the Mount Rushmore National Memorial.

"Until 1942 income from tourists approximated $30,000,000 annually, and the four cents a gallon gasoline tax they paid as they crossed the State from east to west was one of the biggest sources of State revenue.

"Officials of the Greater South Dakota Association, although inclined to be gloomy over the disaster which has overtaken two of the State's principal industries—tourist business and gold mining ranked third and fourth, respectively—saw one bright spot in the wartime outlook.

"Income from marketing of farm crops and livestock this year is estimated at more than $225,000,000, compared with $182,000,000 in 1941 and a five-year average of $103,528,000, all exclusive of Government payments.

"The farm-income figures for 1941 and 1942 indicate a remarkable agricultural comeback for this Great Plains State, which suffered its worst drought during the depression of the early '30s and lost 40,000 farm families in one of the nation's most tragic migrations."

New Orleans Bond Exchange In Operation

Exchange of new refunding bonds for the outstanding public improvement bonds, dated July 1, 1900, and maturing July 1, 1950, in accordance with the voluntary offer accepted by creditors, got under way on Oct. 19. Holders of certificates of deposit were advised that the following named New Orleans banks were prepared to make delivery of the new securities, together with a check representing adjustment of interest upon said certificates duly endorsed with signatures guaranteed: American Bank & Trust Co., Hibernia National Bank in New Orleans, Louisiana Savings Bank & Trust Co., National Bank of Commerce in New Orleans, and the Whitney National Bank of New Orleans.

Kentucky's Bridge Revenue Bonds In Strong Position

For the ninth consecutive month toll bridge collections by the Department of Highways of the Commonwealth of Kentucky showed a decline in September, compared with receipts in the same 1941 period, a report from the State showed. Collections for the month amounted to $129,520, against $170,949, or 24.2% less.

Release of the report was accompanied by a statement of J. Lyter Donaldson, Commissioner of Highways, who declared that even with gasoline rationing, beginning Nov. 22, he foresaw no difficulty in meeting principal and interest on outstanding bonds. Collections, he declared, would have to decline 63.2% from 1941 levels before debt service would be jeopardized.

As an example of the funds available for debt service, Mr. Donaldson pointed out that cash surplus credited to project No. 1, composed of eight intrastate bridges operated as a unit, was $391,778 on Sept. 30. This, he declared, was slightly more than enough to meet principal and interest payments through July 1, 1944. Consequently, he added, collections would accrue for 18 months to meet July 1, 1945, maturities.

The Commissioner said it was conceivable that bridge revenues might decline as much as 50% after Nov. 22, when nation-wide gasoline rationing is scheduled to take effect.

The Department of Highways also released a report on September gasoline tax receipts, which came as a marked contrast to the statement on bridge collections. This showed that gasoline taxes rose 25.1% to $1,850,712 from $1,479,309 in September, 1941, to reverse a downward trend shown in preceding periods. In August, gasoline tax collections dwindled 23.8% and in July they decreased 5.8%, compared with 1941 months.

Jersey City Tax Receipts Sharply Higher

Jersey City tax collections to the end of September totalled $16,103,580 of the 1942 total levy, or $858,135 more than had been collected in 1941 at the same date, according to Wainwright, Ramsey & Lancaster of New York, municipal financial consultants engaged by the city in a financial advisory capacity. Collections of delinquent taxes and liens for the first nine months of 1942 totalled $3,900,982, or $1,184,665 more than was collected in the same period of 1941. Thus total collections for the nine months were $2,042,800 ahead of the same period of 1942.

Hidalgo County, Texas, Debt Status Improved

Marked improvement in the debt picture of the above county with respect to both direct and overlapping obligation is reflected in a statistical analysis prepared by James C. Tucker, resident partner of the Austin, Texas, office of Barcus, Kindred & Co. During the period between 1933 and 1942, the report shows, the county's gross indebtedness was reduced by $8,460,881, or from $43,694,366 to a total of $35,230,485. These aggregates included obligations of the county proper and all overlapping units such as roads, drainage, water and school districts, as well as cities. Moreover, the 1942 grand total, it is noted, does not allow for cash and securities in the various sinking funds, or bonds being paid by the State of Texas from remission of taxes and from the gasoline levy. New bonds were issued in the nine-year period in the amount of $3,163,000.

"Hidalgo County's improved fiscal position," said Mr. Tucker, "is indicated by the fact that with one or two exceptions all districts are now on a current basis, whereas the reverse was true a decade ago. Intangible improvements have likewise occurred. Home and farm ownership are at a high level today, as contrasted with a large ratio of absentee ownership 10 years ago. Farms are now being operated debt-free by people who own them. A large percentage of these were heavily mortgaged a decade ago."

Toledo Utility Purchase Plan Revived

A move instituted in July, 1941, under which the City of Toledo would acquire the Toledo Edison Company has been revived, and a resolution calling for a complete investigation of the proposed purchase is planned. The Securities and Exchange Commission has ordered divorcement of the company from the non-utility interests which comprise the Cities Service Company.

The initial proposal providing for acquisition of the company was submitted by Mayor John Q. Carey. It provided for financing of the acquisition through issuance of mortgage revenue bonds. He submitted a resolution asking the City Council to authorize negotiations for the purchase of the utility property. This plan fell through, but was revived last week, recent dispatches from the city said.

St. Louis Deficit Of $2,000,000 Predicted

St. Louis faces an increasingly difficult municipal financial problem and will have a deficit of more than $2,000,000 by next April because revenues are shrinking while expenditures are increasing with wartime conditions.

That was the prediction of the Governmental Research Institute in its analysis of the municipal budget for 1942-43.

The problem should be particularly acute during the war crisis and immediately thereafter, the analysis stated. Estimated revenues are decreasing because of reduced property tax collections, lower receipts from taxes on automobiles and their use, declining inventories of merchants and manufacturers.

Expenditure climbs were laid to salary and wage increases, higher costs of supplies and equipment and additional expenses to protect public property in wartime.

The city budget total was given as $33,502,526, not including outlays from bond funds and the independent bodies such as the schools. Appropriations for maintenance and operation show an increase of $1,989,215.84 or 8.6% over the previous year.

Budget expenditures that are to be charged to the municipal revenue fund, it was stated, officially exceed estimated receipts by $1,458,779.09. Receipts will be $935,279.99, or 4.4% under last year's, it was estimated.

This would, with the fund deficit of $651,853.20 at the start of the fiscal year, result in a deficit of $2,110,632.29 by April 13, 1943.

Wisconsin's $31,000,000 Bank Balance Unencumbered

Governor Heil stated in a recent radio address that the State's bank balance of $31,000,000 is entirely unencumbered and challenged "any one to prove that the State is in debt." The Governor further remarked as follows:

"I want to say that if any one had any money coming from the State on June 30, 1942, he could have presented his bill and obtained his money, for we have more than $31,000,000 on hand. And if any one had any money coming since then he could have received his money, for we have had $31,000,000 and more on hand every day since June 30.

"There is not a single dollar payable to any person or any unit of government which was not paid the day it was due. After all, the proof of the pudding is in the eating. If any one had any money coming he would be around asking for it, and don't forget that."

Utility Acquisition Plan Removed From Revenue Bill

The revenue bill as passed by the Senate contained an amendment providing for exemption from the corporate income tax of the income of certain semi-public or quasi-public corporations created in connection with the acquisition of utility properties either as a result of disintegration orders issued by the SEC, or otherwise.

The amendment which, incidentally, was viewed in some quarters as an "anti-utility joker" in the tax measure, was later, on Oct. 16, rejected by the Senate and House Conference Committee engaged in ironing out the differences in the revenue bill as passed by the respective houses of Congress. The proposal was reportedly viewed by the conferees as essentially a "promotion" scheme for selling or acquiring certain privately-owned utilities. For the record, however, it might be well to give herewith the explanations made by various members of the Senate as to the nature and purposes of the proposed plan. The following comment was made by Senator La Follette of Wisconsin.

"It is the result of long and protracted study by the committee and by the staff of the Treasury and the joint committee. The purpose of the amendment, as will be obvious from its reading, is to provide tax exemption for non-profit organizations acquiring utility properties, either as a result of disintegration orders issued by the Securities and Exchange Commission, or otherwise. Under the safeguards which have been set up in this amendment to make certain that they shall be of a non-profit character, and for the purpose of ultimately being turned over to municipal governments or power districts, they shall be entitled to tax exemptions.

"Mr. President, we have further provided that in case any of the protective measures and standards which have been set up are violated, that they shall then become liable for all the accrued taxes, without regard to the statute of limitations, which will certainly, it seems to me, and I think to other members of the committee, insure the operation of these non-profit organizations on a strictly non-profit basis and in the public interest."

The amendment was additionally discussed by Senator Clark of Missouri, as follows:

"Mr. President, I merely desire to suggest, in addition to what the Senator from Wisconsin has said, that this amendment will not only have the very great effect of permitting many municipalities or power districts ultimately to be able to acquire these properties, and to furnish the service to the public at cost, but will also be of tremendous assistance in carrying out the disintegration orders of the SEC as to holding companies, because at the present time the SEC is ordering a great many holding companies to divest themselves of smaller utilities, and such orders cannot be carried into effect because the holding companies have been unable to find purchasers. So it will serve both purposes."

Dwight W. Michener To Address Municipal Forum

Dwight W. Michener, Assistant Director of Research of the Chase National Bank of New York, will address the Municipal Forum of New York on Monday, Oct. 26, at its luncheon meeting at Block Hall, 23 South William St., New York City.

Mr. Michener, an economist and student of world affairs, assisted in the work of the American Friends Service Committee (Quakers) in France and returned to this country just last June. His subject will be "France of Today."

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

(Ed. Note—Very few municipal bond issues of major size are scheduled for award in the near future. With expenditures for local improvements held to bare necessities by the demands of war-time policies, the prospect naturally is that for some time to come the amount of new issues coming to market will be small.)

October 22

$1,575,000 Reading Housing Authority, Pa., refunding bonds.

October 23

$1,905,341 Panama City, Fla., refundings offered in connection with refinancing of outstanding indebtedness.

N. Y. Clearing House Elects New Officials

The New York Clearing House Association, at its annual meeting held on Oct. 6, elected Eugene W. Stetson, President of the Guaranty Trust Co., as Chairman of the Clearing House Committee, and at the same time re-elected Herbert P. Howell, Chairman of the Board of the Commercial National Bank and Trust Co., as President of the Association. Mr. Stetson, who served on the Committee during the past year, succeeds H. Donald Campbell, President of the Chase National Bank. Other members of the Clearing House Committee are: William S. Gray, Jr., President of the Central Hanover Bank & Trust Co.; J. Stewart Baker, Chairman of the Board of the Bank of the Manhattan Co.; Leon Fraser, President of the First National Bank, and S. Sloan Colt, President of the Bankers Trust Co. Messrs. Gray and Baker served on the Committee during the past year.

According to the report of Edward L. Beck, Manager of the Clearing House, total clearing transactions for the year ending Sept. 30, 1942, amounted to $229,397,011,743, compared with $211,604,998,472 in the previous year. The transactions for the year just ended consisted of exchanges of $191,776,357,933 and balances of $37,620,653,810. For the fiscal year ending Sept. 30, 1941, the exchanges amounted to $177,253,091,686, while balances were $34,351,906,785. The report of the Clearing House for the year ended Sept. 30, 1941, was referred to in our issue of Oct. 16, 1941, page 623.

The following are extracts from the report for the year ending Sept. 20, 1942:

The Clearing House transactions for the year amounted:

Exchanges	$191,776,357,933.71
Balances	37,620,653,809.85
Total transactions	$229,397,011,743.56
The average daily transactions:	
Exchanges	$635,021,052.76
Balances	124,571,701.35
Total	$759,592,754.11
Largest exchanges on any one day during the year (Dec. 16, 1941)	$1,236,268,285.49
Smallest exchanges on any one day during the year (Oct. 6, 1941)	$320,816,244.63
Largest balances on any one day during the year (March 16, 1942)	$250,832,901.73
Smallest balances on any one day during the year (April 4, 1942)	$48,469,807.90
The total amount of Coupon Exchange was	$538,225,531.88
The total amount of the Return Item Exchange was	$36,748,340.97

In the past year the Night Exchange Department handled 63% of the total daily exchanges.

Total transactions since organization of Clearing House (89 years):

Exchanges	$8,738,849,016,483.88
Balances	884,347,144,289.09
Total	$9,623,196,160,772.97
Largest exchanges on record (Oct. 31, 1929)	$3,853,040,114.48
Largest balances on record (Oct. 30, 1929)	$432,909,546.73

William H. Moorhead, Vice-President and Cashier of the Chase National Bank, was elected Secretary of the Clearing House succeeding Samuel Shaw, Vice-President and Secretary of the Chemical Bank & Trust Co. Mr. Beck continues as Manager and G. Russell Clark and Charles A. Hinrichs as Assistant Managers.

In addition to the Clearing House Committee the members of the other Committees named are:

Conference Committee: W. Randolph Burgess (Chairman), Vice-Chairman of Board, National City Bank; James G. Blaine, President, Marine Midland Trust Co.; N. Baxter Jackson, First Vice-President, Chemical Bank & Trust Co.; John E. Bierwirth, President, New York Trust Co., and John I. Downey, President, Fifth Avenue Bank.

Nominating Committee: John C. Traphagen (Chairman), President, Bank of New York; J. Luther Cleveland, Vice-President, Guaranty Trust Co.; Henry C. Von Elm, Vice-Chairman of Board, Manufacturers Trust Co.; Ralph Peters, Jr., President, Corn Exchange Bank Trust Co., and William N. Enstrom, President, Irving Trust Co.

Committee on Admissions: Sherrill Smith (Chairman), Vice-President, Chase National Bank; Joseph S. Maxwell, Vice-President, New York Trust Co.; Frank K. Houston, President, Chemical Bank & Trust Co.; E. Chester Gersten, President, Public National Bank and Trust Co., and William S. Lambie, Senior Vice-President, National City Bank.

Rubber Technicians Named

Appointment of a staff of technical consultants on the nation's rubber program was announced on Oct. 14 by Rubber Director William M. Jeffers. They will serve under Col. Bradley Dewey, Deputy Director, upon whom Mr. Jeffers has placed responsibility for the technical aspects of the program.

Those named are: E. B. Babcock, chief chemist for the Firestone Tire and Rubber Co.; L. D. Tompkins, Vice-President of the U. S. Rubber Co.; Dr. E. R. Gilliland, Professor of Chemical Engineering at Massachusetts Institute of Technology; W. L. Campbell, former Vice-President of Kroger Grocery Co. in charge of manufacturing and plants; Morehead Patterson, President of the American Machine Foundry Co., and Ray P. Dinsmore, manager of development for Goodyear Tire & Rubber Co.

Market Transactions In Govts. For Sept.

Market transactions in Government securities for Treasury investment and other accounts in September, 1942, resulted in net sales of $4,500,000, Secretary of the Treasury Morgenthau announced on Oct. 15. This compares with net sales of $8,446,000 in August.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
October	$4,400,000	sold
November	284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,446,000	sold
September	4,500,000	sold

N. J. Gets Program Of Staggered Hours

New Jersey became the first State in the Nation on Oct. 6 in which a staggered hours program was ordered officially by Governmental authority. The office of Defense Transporation viewed the action as the possible forerunner of similar steps by other commonwealths and municipalities throughout the country in order to meet the transportation crisis. The announcement by the ODT said:

"The New Jersey staggered hours program was drawn up by the New Jersey War Transportation Committee, appointed by Governor Charles Edison several months ago at the request of Joseph B. Eastman, ODT Director. Subsequently, Governor Edison appointed Joseph E. Conlon, President of the State Board of Utility Commissioners, State Coordinator of Transportation, with full war-time authority to coordinate public transportation facilities in line with the recommendations of the War Transportation Committee. As his first official act, Mr. Conlon issued the following three directives, according to the ODT:

"Directive No. 1 ordered public schools, parochial schools, and high schools in cities throughout the State to adopt opening and closing hours in conformance with a schedule drawn up by the War Transporation Committee. In general, the school hours ordered were one hour later than those which previously had prevailed. This phase of the staggered hours program went into effect yesterday (Oct. 5).

"Directive No. 2 ordered all retail businesses in the business district of Newark not to open their doors to the public for the start of the day's business between the hours of 8 A. M. and 10 A. M., and not to close their doors to the public between the hours of 4 P. M. and 6 P. M. The business district effected is bounded on the East by the Pennsylvania Railroad and the Passaic River; on the West by High St.; on the North by the Lackawanna Railroad; and on the South by South Street and Clinton Avenue. The effective date of this order is Oct. 12.

"Directive No. 3 ordered six companies employing large office forces to change the opening and closing hours of their offices to approximately an hour later than usual so as not to coincide with change of shifts at war plants. This order also is effective Oct. 12. The six affected companies, all of which have their main offices in Newark, are the American Insurance Co. Beneficial Management Co., Firemen's Insurance Co.—Loyalty Group, Prudential Life Insurance Co., Public Service Corp. and New Jersey Bell Telephone Co.

Output Of Pennies Cut To Conserve Copper

The United States Mint, seeking to conserve vital war metal, has curtailed production of one-cent pieces by 50% in recent months, according to a report made to Secretary of the Treasury Morgenthau on Oct. 13. The advices state that however, demand for coins, arising from the high level of business, continues at an unprecedented rate, seriously threatening this conservation program. Production of pennies in September was 59,000,000 pieces, a moderate rise over August, but only about half the production level of the early summer.

Mrs. Nellie Tayloe Ross, Director of the Mint, renewed her plea that all coins, but especially one-cent pieces now "hiding" in children's banks and other receptacles, be returned to circulation. She pointed out that if each of an estimated 33,000,000 American families should discover and return to use just ten one-cent pieces, and these should stay in circulation, the Nation's supply would be increased by an amount equal to one-third of the record 1941 production of the coin. More than 1,000 tons of copper might thus be saved for war manufacture, she said.

The Treasury's announcement further stated:

"Shortage of materials, the strain of prolonged capacity operations on machinery and personnel, and loss of hundreds of highly skilled employees entering the Armed Services or going into war plants all have contributed to the urgency of the program to put the outstanding coin stocks to work.

"Nearly $12,000,000 worth of coins was turned out by the Mint in September, including 7,155,309 half dollars, 15,153,509 quarter dollars, 39,841,509 dimes, and 59,086,500 pennies.

"Peak production of recent months was in May, with 173,763,418 pieces of which more than 119,000,000 were pennies. Suspension of coinage of 5-cent pieces in recent months, while preparations were made for use of a new alloy, is reflected in coinage figures. The all-time peak month, in number of coins was last December, with production of 247,152,492 pieces having a value of $11,603,020.10.

"Production of the new 'nickelless nickel' now is underway. It is composed of silver, copper and manganese, permitting substantial savings of nickel and copper for war use.

"But the big worry now is the supply of pennies. The lowly 'copper' actually is perhaps the Nation's most useful coin. In the 150 years of Mint operations, more than 19,000,000,000 have been produced, of which almost 11,000,000,000 were one-cent pieces."

Collyer Warns Materials Lack May Affect Rubber

A warning that "late 1943 will see our stocks of rubber and those of our Allies nearing exhaustion," was given by John L. Collyer, President of the B. F. Goodrich Co., before the Engineering Society of Detroit on Oct. 9. Speed in building and equipping the giant plants called for in the nation's synthetic rubber program, and in the actual production and use of man-made rubber, was emphasized by Mr. Collyer, who said "structural materials necessary for the construction of the plants and equipment must be made available promptly or there will be serious delays in completion of the production facilities so urgently needed."

As for the time when the nation's production of man-made rubber might be expected to meet "our necessary requirements" adequately, Mr. Collyer said, "certainly not until 1944." He went on to explain that the nation wil produce about 32,000 tons of synthetic rubber this year, practically all from privately-financed plants. In 1943 the government plants will "come into big production," he said, and estimates for that year range from 300,000 to 450,000 tons, which still is in contrast to the 765,000 tons of rubber the country consumed in 1941. In 1944 it is estimated, he said, that synthetic rubber production will be from 700,000 to 900,000 tons.

Turning momentarily to consideration of rubber's post-war role, Mr. Collyer pointed out that the possible American synthetic rubber capacity of 1,000,000 tons annually—combined with 1,500,000 tons of natural rubber — would make rubber substances available in "undreamed-of quantities." New standards of comfort, utility and service would be possible with the rubber industry working closely with industrial engineers in finding new uses for such products, he said, but indicated that such considerations were remotely secondary to "the primary job of winning the war."

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **American Savings & Loan Association**
  17 East First South Street, Salt Lake City, Utah
- **Atlanta Federal Savings & Loan Association**
  22 Marietta Street, Atlanta, Ga.—Write for free booklet, "A Safer and Better Plan."
- **Chicago Federal Savings and Loan Association**
  211 South La Salle Street, Chicago, Ill.
- **Danielson Federal Savings and Loan Association**
  84 Main Street, Danielson, Conn.—Write for free booklet and information.
- **Guaranty Savings and Loan Association**
  2004 Second Avenue, North, Birmingham, Ala.
- **Hinsdale Federal Savings and Loan Association**
  8 East Hinsdale Avenue, Hinsdale, Ill.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.

*Guardians, insurance companies, State, school and municipal sinking funds, firemen's, police and other pension funds, etc.

ACCOUNTS INSURED UP TO $5,000

Latest Semi-Annual Dividend AT RATE OF 3½% PER ANNUM

- We solicit Investment accounts of Individuals, Trust Officers, Administrators, Guardians, Life and Fire Insurance Companies and other Trustee Investors.

A Non-Speculative Investment Legal for Trust Funds in many states

- Assets over $5,200,000. Surplus and reserves over $525,000

Write for free booklet, "A Safer and Better Plan" or send check for Investment Certificate

Atlanta Federal Savings & Loan Association

GEORGIA'S LARGEST FEDERAL ORGANIZED 1928

22 Marietta Street Atlanta, Georgia

Member Federal Home Loan Bank System
Federal Savings & Loan Insurance Corporation

Insured, Non-Speculative

INVESTMENT ACCOUNTS

for

Institutions, Trusts, Individuals

offering

Federally Insured Safety

Excellent Yield • Convenience

Legal investments in many States for guardians, trustees, trust companies, insurance companies, banks and fiduciaries.

Assets $1,000,000

Inquiries invited.

INSURED

GUARANTY Savings and Loan Association

2004 Second Avenue, North Birmingham, Alabama

HINSDALE FEDERAL SAVINGS & LOAN ASSOCIATION

HINSDALE, ILLINOIS

DOUBLE SAFETY

1. *Insured by F. S. & L. I. C.*
2. *88% of three million dollar loan portfolio insured by F. H. A.*

Non-members are cordially invited to seek information in regard to membership from their own dealer, broker, or banker.

Chgo. Home Loan Bank Enters Second Decade

The Federal Home Loan Bank of Chicago reached its tenth anniversary Oct. 15. It is the largest of the 12 banks of a system created by an Act of the last session of Congress in the Hoover administration establishing a permanent reserve system in home financing to round out the nation's reserve credit structure which had already taken care of commercial banks and farm credit.

This regional bank opened offices in Evanston on Oct. 15, 1932, and moved to Chicago in early 1934, and has expanded its quarters several times, now occupying the entire second floor at 105 West Monroe Street.

In the first decade as a reserve institution for savings and building and loan associations in the Illinois and Wisconsin district, it has disbursed $117,571,998 to 452 associations, according to A. R. Gardner, President. As of Sept. 15, 191 associations in Illinois and 56 in Wisconsin had loans from the bank aggregating $22,466,108. These advances are used to supplement local home-financing funds and for the most part these borrowing members are located in defense areas where the housing of war workers has become a serious problem.

"The Federal Home Loan Bank of Chicago enters its second decade of existence to meet the challenge of an unprecedented war economy," said the bank President. "Existence of a coordinating instrumentality among the local thrift and home financing institutions, with 10 years of experience behind it, gives every promise of making the sailing of these local institutions smoother no matter what directions the present emergency takes."

Mr. Gardner points out that a dividend has been earned every year and stockholding home financing institutions and the government have received total annual returns on their investments amounting to $2,695,302. In addition to the payment of these dividends, during its first 10 years the bank has built up reserves and undivided profits equal to 4.2% of total liabilities and capital.

By way of observing the tenth anniversary, the present Board of Directors has invited all who served on the Directorate since the beginning to be their guests at the regular monthly meeting Monday, Oct. 19, to be followed by a dinner in the evening.

Present Directors are:

Charles E. Broughton, Chairman, Sheboygan, Wis.; Henry G. Zander, Jr., Vice-Chairman, Chicago; George Dick, President, Modern Federal Savings and Loan Association, Milwaukee; Earl S. Straight, Secretary, North Shore Savings and Loan Associations, Shorewood, Wis.; Nic W. Heintskill, Secretary, Community Building and Loan Association, Milwaukee; Philip K. Kinzer, Vice-President, Carnation Company, Milwaukee; Arthur G. Erdmann, President, Bell Savings and Loan Association, Chicago; Edward J. Czekala, Secretary, National Savings and Loan Association, Chicago; Lawrence D. Johnson, President, Fidelity Federal Savings and Loan Association, Galesburg; William E. Hodnott, President, Lincoln Savings and Loan Association, Lincoln; Guy A. Wood, Secretary, King City Federal Savings and Loan Association, Mt. Vernon; and Clarence W. Reuling, Peoria.

Invited as former members of the Board are:

John A. Sierocinski, President, Second Federal Savings and Loan Association of Chicago, Chicago; Fred W. Hermans, Kenosha Building and Loan Association, Kenosha; Judge August C. Backus, Milwaukee; Paul E. Stark, Madison; George H. Beckley, Secretary, Appleton Building and Loan Association, Appleton; Allen R. Calhoun, Secretary, Standard Savings and Loan Association, Milwaukee; B. F. Kuehlhorn, Milwaukee; Robert L. Hirschinger, Baraboo Federal Savings and Loan Association, Baraboo; Ward Whitlock, Illinois Savings and Loan League, Springfield; John H. Schmale, President, Greater Belleville Savings and Loan Association, Belleville; Joseph J. Janda, Secretary, Lawndale Savings and Loan Association, Chicago; Mr. Maurice E. Vasen, Secretary, Quincy-Peoples Building and Loan Association, Quincy; Frank O. Schneider, President. Kankakee Federal Savings and Loan Association, Kankakee; Emil A. Basener, President, St. Paul Federal Savings and Loan Association of Chicago, Chicago; Alfred MacArthur, President, Central Life Insurance Company of Illinois, Chicago; August A. Moths. Secretary, West Bend Savings and Loan Association, West Bend; Mr. Judson G. Rosebush, Appleton; Mr. Charles S. Kirkpatrick, Bloomington; and Mr. Morton Bodfish, United States Savings and Loan League, Chicago.

Savings and Loan Portfolios In Sound Condition Dependability Of Assets Characterize Holdings

Fully one-third of the volume of mortgage loans which savings, building and loan associations and cooperative banks had outstanding on their June 30 statements was on security of homes built in the past six years. They are the result of these thrift and home financing institutions' lending of $1,900,000,000 for the building of half a million new homes since the beginning of 1936.

Practically $1,300,000,000 of this amount was lent on houses which cost less at the time the loan was made than they would cost to build today. The margin of safety on such loans increases as building prices rise. A loan which was 80% of value in 1939 becomes, even without any reduction of the principal, a 65% loan by 1942, with building costs on the upward spiral they have climbed the last year and a half. The Federal Home Loan Bank Administration's figures show that the cost of building an ordinary six-room house is now 23% above where it was during the average period of 1935-1939. This development strengthens every loan made during the 1935-39 period.

Obviously as far as their construction loans are concerned, the savings and loan associations' portfolios are built largely on valuations made when building costs were below today's levels. It would be difficult to find sounder loans for a financial institution's principal assets today.

Somewhere between 40 and 50% of the association lending in the past several years has been for the purchase of homes already built. Between a third and a half of the loans outstanding today have thus been made on such properties. The relation of the amount loaned to the value of such properties today is again a fortunate one from the point of view of the associations' holding prime loans. There were certainly no real inflationary tendencies in the real estate prices of the late 1930s, although there was some slight pick-up from depression levels of price and volume of sales. Those who chart real estate activity show that it never even reached normal until late 1940. Thus loans made by savings and loan institutions for the purchase of homes from 1936 on have been based on appraisals which reflected no runaway enthusiasm about the prospects of real estate booms in the days just ahead. They have been probably the soundest appraisals on which any purchase loans were ever made before in a period of general business recovery. In a normal real estate market most of these houses would be worth even more today than the appraisers' figures in the late 1930s, even allowing for depreciation, which is inevitable and which savings and loan managers always take into account. In the abnormal situation caused by rent control and growing restrictions on the supply-and-demand forces of our economy as determinants of price levels, all that can safely be said is that the security for the home purchase loans made by the associations since 1936 is certainly worth just as much today as it was the day the loan was made.

The story of the maintenance or improvement in the course of the past year or two in the value of the security behind the loans is only part of the reason for the safety of savings and loan's mortgage loan assets today. The other part has to do with the monthly reduction of the principal on practically all of these loans ever since they were made. Building and loan associations have insisted on this since they began in this country in 1931, and no matter what changes the times have brought in their procedure, this fundamental systematic repayment is retained. Of the $798,000,000 which savings and loan associations lent for all purposes in 1938, only some $649,452,300 would still be owed today, following normal average schedules of repayment over the past four years. Of the $986,000,000 which they lent in 1939, only $843,535,040 is outstanding today, roughly speaking. Even of the $1,199,579,000 lent in 1940, normal repayment schedules will have left only $1,095,024,000 outstanding.

With the security increasing in value, or at least holding its own, and the amount owed by the borrower being systematically reduced, while the institution holds the mortgage on the security, the average savings and loan association can survey its principal assets today with a great deal of assurance.

There is one final factor which makes the loans on the books today an even more gilt-edged asset. Borrowers are paying down the principal amounts of their loans ahead of schedule in thousands of cases. The uncertainties of war plus the higher war incomes of many of the borrowers this year have combined to bring about this phenomenon. As early as the first quarter 1942, loan repayments were about a third larger in dollar volume than they had been during the same period of the previous year. Of course, the unexpected rapid repayment of loans creates some problems for some associations which may not find re-employment in the mortgage loan field for all the funds flowing back so steadily, but it proves beyond any doubt the dependability of the assets which make up the the bulk of the associations' holdings today.

Delinquencies on loans, either on interest or principal, have probably reached a 13-year low, although they have been negligible for several years already. Once the members who borrowed on inflated property values of the 1920s had become the minority on the books of the savings and loan institutions, and the new borrowers of the 1930s became the dominant factor, there was an entirely changed picture with regard to delinquencies. The war economy to date has been characterized by increased eagerness to pay rather than any reluctance or inability.

It sometimes happens that institutions competing in a declining market like the present take some unwarranted risks to employ the funds which flow back faster than schedule. The savings and loan associations, remembering 1932—after all they have been in the business of mortgage lending for 111 years—are maintaining their former rigid loan standards in the present declining market; and the general policy is to put their excess funds in Government bonds.

Congress Increases Planting Of Guayule

Congressional action on the legislation increasing the planting of guayule, a rubber-producing shrub, from 75,000 to 50,000 acres was completed on Oct. 13 when the Senate concurred in amendments proposed by the House. The measure, authorizing the Department of Agriculture to make the expansion, was originally passed by the Senate on Sept. 21 and the House on Oct. 8. Increased plantings of guayule had been recommended by the President's Special Rubber Investigating Committee as was noted in these columns Sept. 17, page 985.

The House on Oct. 8 passed a deficiency appropriation bill, which carried an item of $19,000,000 for planting as much as 100,000 acres of guayule in the fiscal year 1943. The Senate must still act on this appropriation.

Regarding the House action Associated Press advices of Oct. 8 said:

"The House vote came shortly after the Appropriations Committee made public testimony estimating that this one part of America's emergency rubber program, formulated after the Japanese seized the world's principal rubber resources, would cost more than $130,000,000.

"Department experts told the House Appropriations Committee that in addition to the vast program for planting the rubber-bearing shrub, 56 processing factories would be required, at a cost of about $450,000 each—or a total of more than $25,000,000.

"The officials asked that Congress raise from 75,000 to 500,000 acres the authority for planting guayule. The shrub will be cultivated on huge plantations in parts of California, Arizona, Texas and New Mexico.

"The testimony made public by the Appropriations Committee yesterday did not indicate where the processing plants would be located, although it was assumed they might be built in or near the guayule growing areas.

"The appropriations group did not go into a discussion of the synthetic rubber plans, to involve many millions of dollars, considering only the Agriculture Department's request for $19,000,000 additional immediately for quick expansion of guayule cultivation. The government already has provided $13,000,000 for this program.

"In asking for the $19,000,000, C. M. Granger, assistant chief of the Department's Forest Service, said, 'It will take about $100,000,000 more' to plant all the stock that will result from a larger-than-expected production of seed this year, and to 'put up the necessary factories and get the rubber out of the shrubs.'

"Mr. Granger said the Agriculture Department hoped to plant 88,000 acres of guayule next spring, and he predicted the natural rubber production from the shrub in the fall of 1944 would be 33,000 tons instead of 13,000 as originally expected."

Senate passage of the bill for increased planting of guayule was referred to in these columns Oct. 1, page 1169.

Savings-Loan Ass'ns War Bond Buying; Aids War Financing; Controls Inflation Tendency

By FERMOR S. CANNON, Indianapolis,
President United States Savings and Loan League

Purchase of Government bonds by savings, building and loan associations has been one of the characteristic phenomena of this system of financial institutions since mid-July, 1942. In the past 14 weeks they have increased their total holdings by 68.7%. This estimate is made on basis of reports from 1,675 associations, representing about 50% of total assets. They have invested since July 1, $60,385,000 in Governments, including Series F and G War Bonds.

Back of the movement has been the concerted program of the officers of the United States Savings and Loan League working through leading savings and loan association executives as chairmen in each State. They placed their goal at $100,000,000 for the last half of 1942, and divided it, on a basis of assets, into separate goals for the various States. Already 15 States have gone over their quotas, and where this has happened the chairmen are still working hard to get as far over the goal as possible.

Fermor S. Cannon

In the main, the associations of this type have not hitherto been heavy investors in Government bonds. Some have never owned any up to the present crisis. They have stuck close to their role as home financing institutions and there has been little to urge them into the Government bond market until now. Many institutions, it is true, owned some Government bonds as a secondary line of liquidity, and probably most of them at one time or another held HOLC bonds exchanged for their casualty mortgage loans of the 1930s, but it has never been a practice among them to acquire obligations of the United States Government. Many of the State laws under which associations operate make no mention of the possibility of their investing in Governments. Several others place a definite limitation somewhere from 10 to 20% on the amount of assets which may be so invested.

The response to the present campaign is therefore all the more noteworthy. We set our goal as low as we did because we envisioned a job of education ahead of us. The Government bond market is often a fearful and wonderful thing to executives whose experience has not taken them into its confines hitherto. That a man knows how to judge a character risk for a mortgage loan does not, he himself too often feels, qualify him to judge which Government bonds to buy and when.

Thus the $100,000,000 bond drive among savings and loan institutions this latter half of the year has meant some concentrated extra study on the part of our executives. It has sent them to the investment counsellors and to the shelves of literature on the subject. The official publication of the League has devoted article after article to the matter of choosing which bonds to buy and it has dwelt always on the necessity for buying them.

A combination of patriotism and common sense inspired the campaign which the League officers launched on July 8. Here were institutions which had an inflow of money increasingly greater than their demand for mortgage loans, the business which is primarily theirs. The choice was between turning the investors of new money away and saying, "Sorry, we have no use for your funds," or finding some other outlet, safe, sound and paying a dependable return. On the other hand, here was the Treasury of the United States, asking for billions of dollars to overcome, for the sake of our continued existence, a ruthless and powerful combine of nations. To those of us who saw both sides of that picture there was nothing to do except put both sides together, and channel savings and loan funds into Government bonds.

The purchase of Series F and G War Bonds up to the $100,000 limit for the calendar year 1942 has been the associations' first step in cooperating with the campaign. After that the managers must concentrate on comprehension of this field of investment which is new to so many of them. The one thing of which they can always be certain is that the liquidity which their institutions require at this time more urgently than in ordinary times is materially enhanced by the possession of an increasing amount of Government obligations in their portfolios.

The British counterparts of the savings and loan institutions, the building societies, have become more and more channels for investment in Government obligations as the war has gone along and mortgage demand has lessened. The percentage of the total assets of British societies in investments, chiefly war securities, was 10.4, as of the close of 1941, where it had been 7.2 at the close of 1940. Such direction of the funds has necessarily narrowed the margin between income and expenditure in the British institutions, but in 1941 they were still adding to reserves and paying returns to their savers and investors. Their experience has been so salutary that American savings and loan executives feel they have a real guidepost for their fundamental policy of helping finance the war with the savings entrusted to them.

The War Policies Committee of the United States League emphatically endorsed the program of associations' investing in Government bonds last May, saying in part:

"The people of this country must save a larger and larger percentage of their incomes. Associations should offer every encouragement to the people of their communities to continue to save every dollar possible. This necessitates accepting all the savings offered by the thrifty citizens. It requires the lifting of all restrictions on the amounts of new money that are offered to the institution. The committee recognizes that such a policy will in many cases result in associations receiving more money on savings accounts than can be invested in sound home mortgages. The excess of money received over the loan demand should be invested in Government bonds. Associations can make no more direct or important contribution to victory than the acceptance of all the money offered and the investing of the same in Government bonds."

Our 1942 campaign is looked upon by all the leaders in the bond purchase drive as just a preparation for a substantially larger goal in 1943. As long as the war lasts there will be a challenge to our institutions to take whatever money comes their way, invest it in sound home loans where the demand exists, and channel it into Government bonds to help finance the war, wherever home buyers or builders of war housing do not seek such financing.

Back of the patriotism and the need for a sound outlet for funds which are coming into the associations at their best post-depression rate these days is our conviction of another fundamental role we can play in helping win the war on the financial front. The battle against inflation has become increasingly intense in the past few weeks. Savings and loan institutions are profoundly interested in preventing the dreadful spiral of rising prices which eats up a man's investment with a certainty which needs no emphasis. We know that every bond bought by a thrift institution, pouring investment funds into Government financing, is one more bond which will not have to be bought by the commercial banks and thus become the basis for more credit expansion. We know that we are sitting at least on a corner of the lid which is trying to be held down on the inflationary influences inherent in war production and prosecution.

U. S. Savings-Loan League Sees Better Outlook For Small Property Owner Under Price Control

Trying to figure out for the past week what "economic stabilization" will mean to the small property owner, the officers of the United States Savings and Loan League said that the picture is brighter since the President's administrative order under the new price legislation than it has been at any time since inflationary control was attempted.

"We can be confident that Mr. James F. Byrnes as Director of Economic Stabilization will be primarily interested in just what the title implies, and not in penalizing one group at the expense of another," said Fermor S. Cannon, Indianapolis, President of the League, in speaking for the officers of the League. They represent the national organization of the savings, building and loan associations which have among their 2,000,000 borrowers many owners of small properties for rent. "Since there is to be some control over the expense of operating a rental property from now on, the owner's sacrifices, under rent control, will be tempered as they have not been in the past several months of the operations of defense rental provisions of the OPA," the statement read.

"Since Sept. 15 has been chosen as the pivotal date for wages, salaries and commodity prices, it is reasonable that some adjustment toward that date should be made in areas where rents were frozen at levels prevailing much earlier, some even back into 1941," they continued. "We hope that this type of adjustment will be taken under serious consideration. The ability to collect an extra $5 a month on a house he owns and rents out is extremely important to a small property owner whose taxes are not going to be pushed back to the level of the frozen rent date and whose maintenance and operation costs will be controlled around higher price levels of Sept. 15. In industrial areas where there will have been some rent increases, most of the workers and families have the ability to pay a little something additional for rent and don't really want, if it is put up to them squarely, to take something out of the small landlord's none too well-lined purse."

The League statement surveying the effects of stabilization of the economy on the 6,000,000 investors in the savings and loan institutions, emphasized the relief which every person saving or investing money feels when he realizes that uncontrolled price rises which eat up his cash reserve are not going to be permitted.

"The program will inevitably contribute to more thrift on the part of the majority of the population," they concluded.

Savings-Loan Assets At All Time High

Total assets of all savings and loan associations in New York State increased by over three million dollars during the first half of 1942, reaching an all-time high, according to Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. This information is based upon figures received from the Banking Department and the Federal Home Loan Bank of New York.

The 256 savings and loan associations in the State on June 30, 1942, had total assets of $479,305,390, compared with total assets of $476,058,641, on Dec. 31, 1941. This is an increase of $3,246,749 for the first six months of 1942 and sets an all-time high record.

In The Armed Forces

Horace W. Gordon, formerly associated with Newburger & Hano, Philadelphia, Pa., but who has recently been acting as Special Assistant to Regional Division of WPB, has accepted a Commission as Major, A. S. C., and is assigned to Washington, D. C.

APPROVED
for Institutional Investment by
the hundreds of investments placed with us and comparable associations by Corporate and Private Trustees, Insurance Companies, Public Bodies, etc.

Consider the convenience of our offering and its 3% current return. Details on request.

CHICAGO FEDERAL
SAVINGS and LOAN ASSN.
211 S. LaSalle Street Chicago
Assets over $3,000,000.00

For Insured Safety and Liberal Return—
SAVE HERE
All savings accounts here are insured up to $5000.00 and current dividends are 3%. We know of no other equally safe investment that will pay you as good a return on your money.—Send card for free booklet and information
START YOUR ACCOUNT NOW
Danielson Federal Savings and Loan Ass'n.
84 Main Street Phone 377 Danielson, Conn.

Your STANDARD FOR SAFETY
STANDARD FEDERAL meets every standard of safety for your savings. Strong, time-tested management, ample reserves, sound underlying security, plus federal insurance for each account to $5,000, protect you. Liberal income too. Funds received by 10th of month earn from 1st.
STANDARD
Federal Savings
AND LOAN ASSOCIATION
735 South Olive Street
Los Angeles • MI-2331
Buy War Bonds Here

Do You Have Money to Invest?
(Then Consider This)
We Have Paid Consistent Dividends Since 1923
Our Accounts Are Insured By U. S. Federal Savings and Loan Insurance Corporation
Current Rate of Dividend 3%
Write For Details
AMERICAN SAVINGS & LOAN ASSOCIATION
17 East First South St.
SALT LAKE CITY, UTAH

"A Safer & Better Plan"
For Investors & Trustees
The Atlanta Federal Savings & Loan Asociation, 22 Marietta Street, Atlanta, Ga., will be glad to send investors, trustees and other fiduciaries a copy of their free booklet, "A Safer and Better Plan," describing the advantages of investing in insured Federal Savings & Loan investments.

Federal Agency To Aid Small Plants In N. Y. C. Advocated By N. Y. Chamber Of Commerce

The establishment of a Federal agency in New York City to obtain a larger share of war contract work for the thousands of small plants in New York, as proposed by Commissioner George A. Sloan of the city Department of Commerce, was urged upon Donald M. Nelson, Chairman of the War Production Board, and Lou Holland, head of the Smaller War Plants Corp., in an interim report made public by the Chamber of Commerce of the State of New York on Oct. 18.

Warning that many more small factories in the five boroughs would have to close down or drastically reduce employment in the next few months unless they could secure war work, the report, which was drawn by the Committee on Public Service in the Metropolitan District, said that, although there was a labor shortage in war production centers throughout the country, there were upwards of 300,000 registered unemployed in the city as of last month.

In addition to the largest surplus of employable manpower, New York also has more available housing, industrial space, office space and equipment than any other city in the country, the report pointed out. The report said:

"Despite the fact that New York is the greatest manufacturing city in the country in peacetime, it has been called upon to produce only a comparatively insignificant share of the nation's war contracts. The basic reason for this is that New York is a city of small plants. In the five boroughs there are 25,000 factories employing 50 people or less with a total of 250,000 workers. Some of the plants already have had to shut down or reduce the number of their employees due to priorities or other war restrictions. Many more will have to close in the next few months unless they can be turned to war production."

On Oct. 8 Commissioner Sloan outlined to the Executive Committee of the Chamber the plan for the setting up of a Federal agency here which would give the city's small plants direct representation during the planning stages of war procurement. Members of the Chamber Committee were favorably impressed with it. Commissioner Sloan's plan, which has been worked out under the direction of Mayor LaGuardia, calls for the creation of a Federal agency which would be known as the New York City Coordinating Corporation and would be a subsidiary of the Smaller War Plants Corp. and financed from the latter's $150,000,000 appropriation.

The Coordinating Corp. would be authorized to take prime contracts for such items as were needed by the Army and Navy which could be made in local plants and to retain established engineering firms to sub-contract the work, supply the engineering knowledge to small plants and supervise the manufacture from the initial stages to completion. The plan has been submitted to both the War Production Board and the Smaller War Plants Corp. and was placed before the Special Senate Committee to Study Problems of American Small Business on Oct. 13. In urging its adoption, the report of the Chamber Committee said:

"The plan is a practical approach to the solution of the problem of mobilizing for the war effort the production and manpower of the thousands of small plants which have made New York the nation's greatest manufacturing center.

"The Chamber believes that the adoption of this plan, aside from its direct benefit to local industries and labor and to the expansion of the city's share in the war effort, will help materially to accelerate many phases of the war production of the nation which now are retarded through failure to make full use of available plant facilities and manpower."

Willkie Reports To President On Mission —Renews Call For Second Front

Wendell L. Willkie reported to President Roosevelt at the White House on Oct. 14 on the missions he had performed for the President on his war survey flight around the world.

At a press conference following his talk with the President, Mr. Willkie renewed his plea for the speedy establishment of a second front, affirming what he had said in Moscow, and expressed confidence in victory for the United Nations.

Mr. Willkie's 31,000-mile tour took him to 13 countries including the Middle East, Russia and China. The last lap of the flight around the world was by way of China through the Republic of Mongolia, Siberia and Alaska. He left China on Oct. 9 and landed at Fairbanks, Alaska, on Oct. 11, then flying to Edmonton, Alberta, on Oct. 12 and to Minneapolis on Oct. 13. After arriving in Minneapolis, the 1940 Republican Presidential candidate received a telegram from President Roosevelt requesting that he make his report as soon as possible.

His conference with the President lasted an hour and a half after which he issued the following prepared statement:

"I have just reported to the President on the missions he asked me to fulfill for him when I went on my trip around the world.

"As you know, I went for three chief purposes:

"(1) The first was to demonstrate to our Allies and to a good many neutral countries that there is unity in the United States on the purpose of winning this war. This was my own idea. Nobody asked me to do it. How well I did it you will have to ask the officials, the people and the newspapermen of 14 separate countries.

"(2) The second purpose of my trip was to accomplish certain things for the President. What those things were is naturally confidential as far as I am concerned. On some of them I reported back to him while I was still abroad. On the others, I have just made my report.

"(3) The third job I set out to do was to find out as much as I could, both for myself and for the American people, about this war and how it can be won — won quickly so that we can get back to our jobs again, and won securely so that the peace which follows it will hold.

"I have found out a lot. Some of it I have already reported back, from Cairo, from Moscow and from Chungking. A lot more I want to formulate and put in written form before making a report. I have a plane waiting for me now at the airport, to take me back to New York where I started on this trip. I intend to take a few days of rest in Indiana and then I shall go to work on what I myself consider the most important thing I can do—making careful, crystal-clear reports to the American people. How long that will take I don't know.

"I do know—because I have found out at first hand—that a lot of us, including public officials, are going to have to stretch our muscles and our minds before we win. Before I go back to work—which will be at my old job—I am going to do what I can by an honest piece of reporting to my fellow-citizens to help in this new job which we all face of re-educating ourselves to win this war and to win the peace."

Mr. Willkie spent six days (Oct. 2-7) in Chungking, the war-time capital of China. During the visit he held several conferences with Generalissimo Chiang Kai-shek and other Chinese leaders. He also voiced the opinion while there that "the time has come for an all-out armed offensive everywhere by all United Nations," demanding increased arms aid for China and Russia and "an end to the empire of nations over other nations."

Mr. Willkie's remarks in Moscow on a second front were reported in these columns Oct. 1, page 1173.

Mullenix Named Head Of Mortgage Bankers

Charles A. Mullenix, President of the Cuyahoga Estates Co., Cleveland, was elected President of the Mortgage Bankers Association of America at the organization's 29th annual business meeting, recently held in Chicago, in connection with three-day Conference on Wartime Mortgage Finance. He succeeds Frederick P. Champ, Logan, Utah. Herold G. Woodruff, Detroit, was elected Vice-President. The election followed the report of the nominating committee headed by Dean R. Hill of Buffalo.

G. H. Galbreath, Tulsa, was reelected to the Board of Governors for a term expiring in 1946 and six other mortgage bankers were selected for that body for similar terms. They are L. E. Mahan, St. Louis; Stanley H. Trezevant, Memphis; George H. Dovenmuehle, Chicago; Frank C. Waples, Cedar Rapids, Ia.; John H. Scott, Pittsburgh, and W. A. Clarke, Philadelphia. George H. Patterson, Chicago, was reelected Secretary and Treasurer. Wallace Moir, Los Angeles, was reelected regional Vice-President for the Pacific Coast States and Aksel Nielsen, Denver, for the Mountain States. V. C. Feemster, Wichita, was elected Vice-President for the Southwest States, Norman R. Lloyd, Cleveland, and Ward Gauntlett, Chicago, for the North Central States, W. A. Curtin, Hartford, for the Eastern States and O. G. Gresham, Birmingham, for the Southern States.

A speech by the retiring President, Mr. Champ, was reported on in these columns of Oct. 8, page 1270.

Number Of Rail Employees Increase

The total number of employees of Class I railroads, as of the middle of August, 1942, was 1,322,435, an increase of 9.55% compared with the corresponding month of 1941, and 0.46% over July, 1942, according to a report just issued by the Bureau of Statistics of the Interstate Commerce Commission.

A gain over August, 1941, was shown in the number of employees for every reporting group. The percentages of increase were:

Professional, clerical, and general, 12.47; maintenance of way and structures, 8.03; maintenance of equipment and stores, 9.29; transportation (other than train, engine, and yard), 6.38; transportation (yardmasters, switchtenders, and hostlers), 11.84; executives, officials and staff assistants, 6.28; and transportation (train and engine service), 11.23.

Repeal Of Law Governing Renegotiation Of War Contracts Urged By N. Y. Chamber Committee

The Chamber of Commerce of the State of New York made public on Oct. 15 an interim report from its Special Committee on Corporate Management urging repeal of the law providing for the recapture of excessive profits on Government contracts by renegotiation. The law was criticized on the ground, among others, that it contained no definition or criteria as to when profits should be deemed execessive and that it made it impossible for any contractor to know his true financial condition until three years after the end of the war. The Committee in its report said:

"The Chamber believes that contracts with the Government or any of its departments should specify prices which are fair and reasonable. It further believes that if, during the war period, any business, whether or not engaged in war work in whole or in part, earns in excess of a reasonable normal profit, such profit should be subject to a high rate of excess profits tax."

In part the report also stated:

"To attempt to require renegotiation of the price specified in Government contracts at the end of any accounting period when the final net profit of the contractor is in the opinion of the renegotiating officer excessive, can have only the result of penalizing the most efficient and lowest cost producer, leaving the inefficient and high cost producer undisturbed. Such a result is not only inherently unfair but is destructive of business morale and its effect in operation, unless the renegotiation is conducted by men of almost superhuman wisdom, will be to increase rather than to decrease the Government's war costs; in other words, to cause the exact opposite of the law's purpose."

The report did not oppose the use of renegotiation clauses in Government contracts where they were voluntarily entered into, where the circumstances of a particular contract justified their use and where the clauses were so framed that operation under them involved only a determination of readily ascertainable cost accounting facts. It pointed out that such clauses were being used in Government contracts prior to enactment of the present law (section 403 of Public law 528). It stated that:

"Such renegotiation clauses, however, should be 'two-way streets' permitting adjustment upward as well as downward in the price when actual experience demonstrates the estimates of cost to have been in error."

The report, which represents only the opinion of the Corporate Management Committee until its adoption by the Chamber, will be presented by William de Krafft, Chairman of the committee, at the Nov. 5 meeting of the Chamber.

An item referring to the study by the Senate Finance Sub-Committee of the statute requiring renegotiation of war contracts was referred to in our issue of Oct. 1, page 1177, and the recently enacted tax bill as agreed upon by the Senate and House conferees.

Nickel Again Restricted

The War Production Board recently tightened its control over nickel, restricting use of the metal to implements of war and other products certified by the Army-Navy Munitions Board to be essential.

The WPB revised its conservation order M-6-B, which previously prohibited use of nickel in a long list of products and permitted use of the metal in all other products only on specific allocations. This provision, it is stated, is retained in the revised order. However, the general exemption is removed from these restrictions in favor of the armed forces, A-1-K, or better orders, and where necessary for compliance with safety regulations. It is further stated:

"Implements of war are defined as combat end-products, complete for tactical operations. This includes aircraft, ammunition, armament, ships, tanks and other military vehicles, and parts to be incorporated in such implements. The term does not include facilities or equipment used in manufacture of such items."

NWLB Urges Patience On Wage Order Rules

William H. Davis, Chairman of the National War Labor Board, on Oct. 5 issued the following statement:

"The National War Labor Board has been flooded with requests for information regarding the Executive Order signed by the President Oct. 3, providing for the stabilizing of the national economy. Paragraph 2 of Title III of that Order authorizes the Board 'to issue such rules and regulations as may be necessary for the speedy determination of the propriety of any wage increases or decreases in accordance with this Order.' Until this has been done, we will be unable to answer specific questions.

"We will issue these rules and regulations as promptly as we can. We shall try to get them into such a form that there will be a minimum of misinterpretation, misunderstanding and confusion. In addition, the Board plans to issue explanatory bulletins, probably in the form of questions and answers. These bulletins will attempt to answer first the questions most often asked. The rulings and bulletins will reach employers and employees through their daily newspaper, over the radio, or through their trade association or labor union publications.

"In the meantime, on behalf of the Board, I am asking every employer and employee who is affected by this Order to be patient. As to employers and employees who are in the midst of contract negotiations, their attention is called to Paragraph 8 of Title II which says that 'the policy of the Federal Government . . . to encourage free collective bargaining between employers and employees is reaffirmed and continued.'

"We respectfully request employers and employees not to write, telegraph or telephone Washington with specific inquiries for a few weeks, and not to do so then until they have tapped all authoritative local sources of information. It would be impossible for us, because of a shortage of time and personnel, to answer personally each of the thousands of inquiries which would come to us if the above procedure were not followed.

"By following this procedure, employers and employees will speed up our work and aid in the prosecution of the war."

United Fruit Looks Good

United Fruit Company offers attractive possibilities for appreciation based on post-war prospects, according to an interesting memorandum just issued by E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of the memorandum containing interesting information on United Fruit may be had upon request from E. F. Hutton & Co.

Advances Plan To Buy Term Ins. & War Bonds

A plan for combining the purchase of life insurance and War Savings Bonds in such a way that both can be done at the same time and still keep within a normal insurance premium budget is being offered by the Church Life Insurance Corporation, a wholly-owned subsidiary of The Church Pension Fund of the Protestant Episcopal Church. In a brief leaflet which is being given wide distribution, it points out that term insurance, which normally is considered only as temporary protection, costs much less than the usual types of policies but if the difference is put into War Savings Bonds and Stamps, the individual will accomplish approximately the same result as if he had taken out a more permanent form of insurance and can later, without further medical examination, resume a normal insurance program after the need for the purchase of War Bonds is over. The leaflet states:

"Although term insurance is normally designed for temporary protection we are now living under conditions which are not normal. The great need and patriotic duty of every American citizen is now to buy as many War Savings Bonds and Stamps as he possibly can. We are properly urged to reduce everything to essentials in order that the United Nations may have at their disposal the means for a successful and relentless prosecution of our defense of civilization and Christianity until final victory is won. At the same time, the protection of one's home and family must be maintained. Insurance is not a luxury. It is a necessity to the great majority of people."

Illustrative rates are given in the leaflet showing, for instance, that at age 40 the cost of a 10-year convertible term policy is about 43% of the cost of an ordinary life policy and only about 11% of the cost of a 10-year endowment policy. Although term insurance, it is pointed out, has no cash or loan value and becomes payable only in the event of the death of the assured within the specified policy term, the purchase of War Savings Bonds and Stamps with the saving in premium will gradually build up an equity somewhat equal to the cash and loan value on the more expensive types of insurance.

"The Church Life Insurance Corporation," the leaflet concludes, "urges upon those who are eligible to take advantage of its facilities and its low rates, consideration of the proposal that term insurance be used more widely during the present emergency for the purpose of maintaining an adequate insurance program and, at the same time, promoting the purchase of more War Savings Bonds and Stamps."

Exemption Urged For Retiring Realty Debt

With rapidly increasing taxes depressing the value of rental properties and in many instances, jeopardizing the ability of larger home owners to maintain their holdings, serious consideration should be given to "reasonable tax exemptions for debt retirement," Frederick P. Champ, retiring President of the Mortgage Bankers Association of America, told members of the Denver Real Estate Exchange in a recent address on Oct. 7. "The siphoning of income, and in fact the liquidation of capital, which will occur in the financing of the war, will lessen the accumulation of venture capital and thus affect activity in speculative real estate," Mr. Champ said. He added:

"Unimproved property, faced with the prospect of idleness during the war, will become less valuable while older properties adaptable to housing are experiencing increased demand. We cannot accurately visualize the future in terms of changes in the economy which will occur within the lifetime of the residential mortgages we are making today but so long as our national concept of social organization is based on the family unit, the need for home and home ownership will be protected so that reasonable mortgages on the homes of American citizens should generally continue to be as sound an investment as can be found."

Gold Mines To Close: Miners To War Work

The War Production Board on Oct. 8 ordered gold mines to halt operations in order to make the miners and some equipment available for mining work considered more essential to the war program.

The order affects from 200 to 300 mines in which gold is produced in the continental United States and territories, except mines which previously had been accorded preferential priority treatment by the WPB because of their by-product output of such war-essential metals as copper, lead and zinc. Certain small mines were excepted.

The gold mines are directed to halt operations "at the earliest possible date," and at the latest to stop breaking out new ore after Oct. 15. Although all must stop within 60-days, minimum activity necessary to keep buildings and equipment in repair and the workings in safe condition will be permitted.

It is estimated that 4,000 to 5,000 men are employed in the gold mining industry and that 3,000 to 4,000 will be made available for essential non-ferrous mining operations.

The States most affected by the order are California, South Dakota, Colorado, Montana, Nevada, Arizona and Utah. The value of gold mined in the United States and possessions was $290,174,600 in 1941. The United States, producing about 13% of the world's gold supply, is the second largest producer in the world, the Union of South Africa being first.

Simultaneous with this announcement, Paul V. McNutt, Chairman of the War Manpower Commission, issued a directive which, in effect, forces miners released by the gold mine closings to seek jobs in copper and other vital non-ferrous mines. Mr. McNutt said that these miners will be given aid in finding work in non-ferrous mines and given transportation expenses to new locations. The WMC directive instructs employers not to "hire in, or hire for work in, Alaska or any State west of the Mississippi River, any person who on or after Oct. 7, 1942, has left employment as a production or maintenance worker in connection with gold mining, except upon referral of such worker to such employer by the United States Employment Service."

Twenty-one Senators protested to President Roosevelt in a letter made public on Oct. 13 against closing of gold mines and asked that a WPB order be stayed, "at least until the whole subject of marshaling of manpower and the allocation of labor may be considered," according to the Associated Press.

Released by Senator McCarren of Nevada, the letter told the President that the order would release only a few miners for work in strategic metal mines but would disrupt the economy and morale of gold mining areas.

Incident to the shutting down of the gold mines it was said to have been learned in Washington on Oct. 7 that the purchase of gold by the Treasury is not to be discontinued. The New York "Times" reporting this in Washington advices Oct. 7 added in part:

"For the time being the United States therefore, will continue to be the great market for South African, Canadian and Russian gold for which it will pay, as heretofore, $35 an ounce. Its gold holdings of over $22,000,000,000 will retain their present value and probably will continue to increase, although at a slower rate than heretofore. . . .

"The Treasury, does not wish to halt gold mining in other countries by discontinuing the purchase of gold, since this could have serious effects which might out-weigh the advantages to be derived from it on other grounds. For instances, the shipment of gold is almost the only means by which Russia is able to pay for imports from the United States."

Allowable Advertising Fees In War Contracts

Instructions which will guide Price Adjustment Boards in determining the circumstances under which advertising expenses may be figured as allowable costs in war contracts were made public on Oct 7 by Chairman Donald M. Nelson of the War Production Board. The instructions were contained in letters sent to top procurement officials of the War Department, Navy Department and U. S. Maritime Commission. Broadly speaking, the instructions lay down these policies:

"On cost-plus-fixed-fee contracts, the costs of advertising placed for the sole purpose of selling goods are inadmissible. Industrial or institutional advertising, however, which properly can be classed as an operating expense incurred for reasons of policy, may under certain circumstances be admitted; and a contractor who is in doubt as to the admissibility of such expense should take the question up with the contracting agency with which he is dealing.

"In a different classification are advertising expenditures paid for out of the contractor's fee, on cost-plus-fixed-fee contracts, or as part of the general overhead and management expenditures on fixed-price contracts."

The substance of the instructions in regard to such expenditures is briefly as follows:

"When Price Adjustment Boards review the profits of war contractors they will note the sums spent for advertising; they will allow a 'reasonable expenditure' for advertising; and their definition of 'reasonable expenditure' will be substantially the definition previously announced by the Secretary of the Treasury. The Boards are instructed, however, that where a company has been wholly or in large part converted to war work, fairly sharp limits can be placed on such expenditures.

"When a fixed-price contract is being negotiated, field procurement officers frequently request a breakdown of costs. In such cases, manufacturers should include advertising expenditures in overhead rather than as a separate cost item, since it often is not practical to determine exactly what part of advertising expenditures should be charged against a particular contract."

Mr. Nelson pointed out that no set formula can be laid down to govern all cases, and that in general the rule of reason must apply in each particular case. The War Production Board, he said, does not wish to set up arbitrary rules which might work undue hardship on manufacturers converted to war work who desire to preserve their investment in trade marks and goodwill.

The WPB's decision to allow advertising fees in war contracts was reported in these columns of Oct. 15, page 1359.

UP-TOWN AFTER 3

MOVIES

If you hanker for nostalgia and such songs as "Oh, You Beautiful Doll," "By the Sea, By the Beautiful Sea," "Where Do We Go From Here, Boys" and other relics of a few decades ago, then don't overlook **"For Me and My Gal"** (MGM). It's a grand yarn, well told and excellently portrayed by Judy Garland, Gene Kelly, George Murphy, Ben Blue and others. It's a story of backstage vaudeville life when that branch of show business was in its heyday; the period when every small-time vaudevillian doing split weeks in whistle stops dreamed of the day he would play the Palace, the New York theatre which represented the pinnacle of vaudeville success. Picture begins slowly, picks up tempo, slackens a bit toward the end but finishes with a scene that has everybody in the audience pretending they have colds. There isn't a dry eye in the house when Judy Garland and Gene Kelly sing their theme song, "For Me and My Gal," from the Palace stage. The circumstances under which they finally appear is a fine bit of directing. Judy Garland flashes a pair of stems that will have the boys drooling. Of her singing ability there is no question. She's still tops. Gene Kelly, who was such a hit in "Pal Joey" and a new Hollywood acquistion, is grand as the heel with the heart of a ham who later redeems himself. George Murphy as the Old Dog Tray, the guy who loves Judy but backs out in favor of Gene Kelly, gives a faithful interpretation. Ben Blue, a graduate of the vaudeville business, is fine in his limited scenes. . . . **"Now, Voyager"** (Warner) gives Bette Davis a dream role. In it she runs the gamut of all human emotions. Based on Olive Higgins Prouty's best seller (title taken from Walt Whitman's poem) it tells about a dowdy spinster, of say 30, who is driven to a life of seclusion and near madness by her mother's tyrannical dominance. It isn't until psychiatrist Claude Rains diagnoses and prescribes treatment that she comes out of her shell. On a long sea voyage she meets and falls in love with Paul Henreid. Henreid rushes her, but being married, friendship remains platonic. His small daughter displays the same intraverted tendencies Miss Davis had before her treatment and is sent to Claude Rains for attention. When Miss Davis returns home she refuses to lead the life her mother cut out for her. Her mother dies, and Miss Davis blaming herself for her death, is on the verge of a relapse. Returning to the sanitarium she meets Henreid's daughter where she forgets her own troubles in an effort to help the child. It is obvious **"Now, Voyager"** is not an amusing tale, though an interesting one. There is little comedy to relieve the grimness of a story of a warped mother love and the damage it causes. Bette Davis, the gloomy, semi-hysterical psychiatric who blossoms out, is competent as always. Paul Henreid is suave as the man in the case. Gladys Cooper, the dominating matriarch, is magnificent in an unsympathetic role.

ABOUT THE TOWN

Of all the West Side places I've visited **Zimmerman's Hungaria (163 W. 46th)** is the most surprising. From a fairly modest entrance you go down a few flights of stairs into a bedlam difficult to describe. People stand four deep demanding tables in a room big enough and crowded enough to look like Grand Central Station at the rush hour. There's a floor show (an elaborate affair, I'm told) but I never got close enough to see it until it was almost all over. The food, however, is excellent. A house specialty, chicken paprikash, is something to go out of your way for. Dinners begin at $1. Dancing is continual if you can manage to get on the floor, which seems as jammed as the dining room itself. The Hungaria is obviously popular with people celebrating wedding anniversaries or giving going-away parties to newly drafted men. It also seems to have quite a following among family groups. Table upon table was filled with mothers, fathers and their children. Dominating the entire place is Zimmerman himself. You'll spot him by his Marshal Budenny mustache. But even his prepossessing appearance doesn't dampen the ardor of the celebrants who seem to have checked their inhibitions at the door. . . . **The Weylin Bar (Weylin Hotel, 40 E. 54th)** is one of those pleasant East Side hideaways which is actually as intimate as it claims. If you can negotiate the small outer door (it opens out and can throw you for a loss if you're not careful) you'll find it worthwhile. During cocktails Dawn Roland (nee Mrs. Charles Wright), a pretty dark-haired, blue-eyed colleen, sings pleasantly. After 10 at night the program becomes more ambitious. It is then that Charlie Wright, Muriel Byrd and Billy Martin come on. Wright, accompanying himself on an accordian, has a repertoire of songs and a delivery it's a treat to hear. His saga of Maxie and his taxi will keep you in stitches. His recital of the family Ramsbottom and their visit to the zoo will make hearing the words difficult. Everybody laughs so loud. Muriel Byrd sings and plays the piano, and quite well too. Billy Martin, with a Greek God profile, fills in with more piano, but quite competently. . . . **The Penthouse Club (30 Central Park South)**, in addition to its other attractions, is now boasting THE Miss California of 1940, a Miss Suzanne Daye. Miss Daye, besides being something to look at—blonde with blue eyes and a figure which has the boys bugging out their eyes—sings. Her work sounds completely professional. After listening to people who sing in French, Spanish or some other language, pleasantly enough but completely outside my comprehension, it's a relief to hear somebody sing American tunes the way they were meant to be sung, without accents. And Miss Suzanne Daye fills the requirements. So what, if she isn't a Marian Anderson? She's a Venus de Milo!

Keep Em Rolling
Victory Is Nearer Every Day!

The Penthouse Club
30 CENTRAL PARK SOUTH
Adjoining The Plaza

A most unique restaurant in a beautiful location, overlooking Central Park to the north.

Serving best food, skilfully prepared.

Entertainment after 11 P. M.

Telephone PLaza 3-6910

Calendar of New Security Flotations

OFFERINGS

ELASTIC STOP NUT CORP.

Elastic Stop Nut Corp. has filed a registration statement with the SEC for 50,000 shares of 6% cumulative convertible preferred stock (par $50) and 178,572 shares of common stock (par $1), to be reserved for conversion of preferred stock

Address—Union, New Jersey

Business — Manufacturer of self-locking nuts, etc.

Offering—After reclassification of securities, 50,000 shares of 6% cumulative convertible preferred stock will be offered first to holders of outstanding common stock, through warrants at $50 per share, unsubscribed portion through underwriters at $50 per share

Purpose—May be used for redemption of 6% cumulative preferred stock (par $100), capital expenditures and working capital

Registration Statement No. 2-5047. Form A-2. (9-29-42)

Underwriters—Names of underwriters and respective percentages of the unsubscribed shares underwritten are as follows: White, Weld & Co., N. Y., 25.48%; Shields & Co., N. Y., 25.48%; H. M. Byllesby & Co., Inc., Chicago, 25.48%; First Trust Co. of Lincoln, Neb., 14.56%; Bosworth, Chanute, Loughridge & Co., Denver, 2%; McDonald-Coolidge & Co., Cleveland, 2%; Vietor, Common, Dann & Co., Buffalo, 2%; Cruttenden & Co., Chicago, 1%; A. E. Masten & Co., Pittsburgh, 1%; The Milwaukee Co., Milwaukee, 1%

Registration Statement effective 5.30 p. m. ESWT on Oct. 19, 1942

Offered—Publicly offered Oct. 20, 1942, at $50 per share plus dividends

---

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY OCT. 22

MANHATTAN BOND FUND, INC.

Manhattan Bond Fund, Inc., has filed a registration statement with SEC for 1,000,000 shares of capital stock, par value 10 cents per share

Address—15 Exchange Place, Jersey City, N. J.

Business—Investment trust

Underwriting — Hugh W. Long & Co., Inc., Jersey City, is named as the principal underwriter

Offering—Date of proposed public offering is given as Nov. 1, 1942

Proceeds—For investment

Registration Statement No. 2-5048. Form A-1. (10-3-42)

SATURDAY OCT. 31

GRAND FORKS HERALD, INCORPORATED

Grand Forks Herald, Incorporated, has filed a registration statement with the SEC for $170,000 4½% first mortgage serial maturity bonds, dated Sept. 1, 1942. Bonds will mature as follows: $12,000 on each Sept. 1 from Sept. 1, 1943 to and including Sept. 1, 1951; $62,000 on Sept. 1, 1952

Address — 118 North Fourth Street, Grand Forks, N. D.

Business—Newspaper publication

Offering—Bonds are to be offered at prices ranging from 101.57 for the 1943 maturity to 100.50 for the 1952 maturity. The average offering price per unit is 102.1073 plus accrued interest

Underwriting—Kalman & Co., Inc., St. Paul, is the sole underwriter

Proceeds—The net proceeds, together with other funds of the corporation, are to be used to retire as of Jan. 1, 1943, the corporation's 6½% 15-year sinking fund debenture bonds due Sept. 1, 1944

Registration Statement No. 2-5049. Form A-2. (10-12-42)

HOUSTON NATURAL GAS CORPORATION

Houston Natural Gas Corp. has filed a registration statement with SEC for 40,000 shares of preferred stock, 5% cumulative, par value $50 per share

Address—Petroleum Building, Houston, Texas

Business—Company produces, purchases and distributes natural gas in a large number of cities, towns and communities in Texas

Offering—The stock, after reclassification of securities, is to be offered at $50 per share. The holders of common stock (approximately 80,000 out of 158,289) who have not previously waived their pre-emptive rights to subscribe for the new issue of preferred will be afforded a 10-day period after the effective date of the registration statement within which to exercise such pre-emptive rights by subscribing for one share of preferred for each four shares of common stock held. If in the opinion of the company a sufficient number of shares is not subscribed for the company reserves the right to refund all payments and cancel the subscriptions, but if a sufficient number of shares of preferred is subscribed for by the public and by the holders of common, company will offer to exchange 11,000 shares of preferred, $50 par, for the 10,000 shares of preferred stock, 7% cumulative, par value $50 per share, callable at $55 per share, presently outstanding

Underwirting—The preferred stock is not being underwritten. Names of principal brokers soliciting subscriptions are Moroney, Beissner & Co., Houston, Texas, and Mackubin, Legg & Co., Baltimore. The first will receive fees and commissions for transactions occuring in the State of Texas and the second will receive fees and commissions as managers of the selling group offering the preferred stock outside of State of Texas

Proceeds—No specific allocation of the net proceeds has been made, but will be added to and become a part of the general funds of the company

Registration Statement No. 2-5050. Form A-2. (10-12-42)

TUESDAY, NOV. 3

FIREMAN'S FUND INSURANCE CO.

Fireman's Fund Insurance Co. has filed registration statement with SEC for 64,086 shares of $10 par value common stock

Address—San Francisco, Calif.

Business—Fire, motor and marine insurance, etc.

Offering—After reclassification of securities to offer 33,738 shares of Fireman's $10 par common and scrip for fractional shares in exchange for 44,984 shares of $10 par common of Home Fire & Marine Insurance Co. of California on basis of 75/100ths share of Fireman's Fund for one share of Home; and 30,348 shares of Fireman's in exchange for 67,440 shares of $10 par common of Occidental Insurance Co. on basis of 45/100ths share of Fireman's Fund for one share of Occidental

Underwriting—There are no underwriters

Proceeds—To be issued under plan of exchange

Statement filed in San Francisco

Registration Statement No. 2-5051. Form A-2. (10-15-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

CENTRAL MAINE POWER CO.

Central Maine Power Co. filed a registration statement with SEC for $14,500,000 first and general mortgage bonds, Series M, maturing July 1, 1972; $5,000,000 ten-year serial notes, maturing serially on July 1 from 1943 to 1952, and 261,910 shares of common stock, par value $10 per share.

Address—9 Green Street, Augusta, Maine

Business—Company is an operating public utility and engages in the electric, gas and water business, entirely within the State of Maine

Underwriting—The bonds and the notes will be sold under the competitive bidding rule of the Commission. Names of underwriters and amounts and offering price to public will be supplied by amendment

Offering—Public offering price of the bonds and notes will be supplied by amendment. The 261,910 shares of common are first to be offered to the holders of the company's outstanding common stock and 6% preferred stock for subscription at $10 per share in accordance with their pre-emptive rights. New England Public Service Co. has subscribed for and agreed to take the 261,910 shares, less any shares as may be subscribed for by stockholders, and to pay therefor in cash at $10 per share provided the proposed merger be-

Proceeds—Statement says that prior to the issue of the securities now registered, Cumberland County Power & Light Co., a public utility incorporated in Maine in 1909, will be merged into the company and Central Maine will thereupon acquire, pursuant to an agreement of merger, the business and all the rights, powers, etc., of Cumberland. After the merger has become effective, the business of the company will include also the business, franchises and properties of Cumberland, the separate existence of which will have ceased

Net proceeds from the financing in accordance with the merger plan recently filed with the commission will be used as follows:

Net proceeds of the series M bonds will be used to pay principal and premium in the redemption at 105% on Oct. 1, 1942, of $1,494,000 face amount of first mortgage, 4% series, due 1960, of Cumberland Power, $1,538,060; to pay principal and premium in the redemption at 105½% on a date in 1942 to be announced of $9,275,000 face amount first mortgage bonds, 3½% series, due 1966 of Cumberland County $9,784,348 and to pay bank loans made by the company which were incurred for the purchase and construction of facilities $2,650,000.

Net proceeds of the serial notes and the common stock will be used to pay par and premium in the redemption on a date to be fixed in 1942 of an unspecifed number of shares of 6% preferred stock and an unspecified number of shares of 5½% preferred stock of Cumberland County at 130% and 110%, respectively, all of which shares are to be called for redemption by Cumberland County prior to the proposed merger and converted under the agreement of merger into an obligation of the company to deposit the redemption price thereof in trust for the holders of such shares. The amount to be utilized in such redemption will be supplied by amendment.

Additional net proceeds from the sale of serial notes and common stock will be used to acquire 300 shares of the common stock and $6,000 face amount of 5% debentures of Aug. 1, 1936, due Aug. 1, 1956, of Nepsco Services. Inc., and 10 shares of common of Nepsco Appliance Finance Corp. $9,100 and to acquire all of the 650 outstanding shares of the no par capital stock of New England Pole & Treating Co. $110,000.

Balance of net proceeds of the series M bonds, the serial notes and common stock will be used to redeem at $120 per share or otherwise retire on or before Oct. 1, 1942, an unspecified number of shares of 7% preferred stock of the company and for the purchase and construction of facilities for the carrying out of the company's business.

Registration Statement No. 2-5024. Form A-2. (6-29-42)

Central Maine Power Co. on Aug. 5, 1942, filed a request with the SEC to withdraw trust indenture data in view of decision to sell the proposed issue of $5,000,000 10-year serial notes at private sale. On July 16, 1942, company filed an amendment with the SEC to withdraw the proposed notes from registration and such withdrawal was approved Aug. 19, 1942

Amendment filed Oct. 16, 1942, to defer effective date

DENVER CHICAGO TRUCKING CO., INC.

Denver Chicago Trucking Co., Inc., has filed a registration statement with the SEC for $400,000 debentures, 5%, maturing serially from 1944 to 1952, inclusive

Address—2501 Blake Street, Denver, Col.

Business—Operation of motor truck transport lines

Underwriting—Brown, Schlessman, Owen & Co., Denver, Col., is the principal underwriter

Offering—The issuer, a new corporation, upon the exercise of its option, will take over and carry on the present business of a partnership as an interstate carrier of comes effective merchandise by motor vehicle. The new corporation will acquire from the partnership all accounts receivable, motor vehicle equipment, rolling stock, real estate, franchises, etc. In consideration thereof corporation will deliver to partnership 4,000 shares of its capital stock, $1 par value, $250,000 of its debenture 5s and is also to deliver to the underwriter, on the order of the partnership, $150,000 of the debentures of the par value of $1,000 each, for the sum of $150,000 plus accrued interest to date of delivery. Corporation in normal course also assumes liabilities of partnership. The underwriter will purchase the partnership and the debentures from the partnership and the corporation and offer them to the public at prices ranging from 103.28% for the March 1, 1944, maturity to 100 for maturities 1948 to 1952, inclusive, plus accrued interest

Proceeds—The net amount to be received by the corporation will be used as working capital. Net amount received by partnership will be partnership funds distributable among the partners or usable for such purposes as the partners may decide

Registration Statement No. 2-5044. Form A-1. (9-22-42)

Suspension data (including hearings) Oct. 22, 1942

ELLICOTT DRUG CO.

Ellicott Drug Co. filed a registration statement with the SEC for $350,000 6% debentures, due June 30, 1957.

Address—120 Cherry Street, Buffalo, New York

Business — Company is a cooperative wholesale drug company, selling to its members only, all of whom are retail druggists.

Proceeds — $250,000 of the debentures will be presently issued. Approximately $120,000 of this amount will be issued to replace the outstanding 6% preferred stock which is being eliminated. Approximately $48,000 additional will be issued to retire buying privilege deposits with the company The balance, approximately $78,500 after expenses, will become additional working capital

Offering—The new debentures will be priced at 100 and accrued interest

Registration Statement No. 2-5026. Form A-2. (7-7-42)

Amendment filed July 23, 1942 giving to members of the company only the privilege of exchanging the 6% cumulative preferred stock, par $50, for the debentures on a dollar for dollar basis and or exchange for deposits made by non stockholder members.

Amendment filed Oct. 10, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140.000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed Oct. 10, 1942, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Amendment filed, July 30, 1942 to defer effective date

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed Oct. 15, 1942, to defer effective date

NU-ENAMEL CORPORATION

Nu-Enamel Corporation filed a registration statement with the SEC for 106,500 shares of common stock, $1 par value

Address—8 South Michigan Ave., Chicago

Business—The company is engaged in the distribution and sale of enamels, paints, varnishes, linoleum finish, stains, polish and kindred lines, which are principally distributed under the trade name "Nu-Enamel." The products sold by the company are manufactured by Armstrong Paint & Varnish Works, of Chicago, under contract in accordance with the company's formulae and specifications

Underwriting—Floyd D. Cerf Co. is the principal underwriter.

Offering—The principal underwriter is granted the option, until close of business Dec. 31, 1942, to purchase at $1.50 per share all or any part of 72,500 shares of common stock of the company from C. L. Lloyd and all or any part of 34,000 shares from Gladys Lloyd. There is no firm commitment to purchase any of said shares. The principal underwriter has agreed to pay a finder's fee to American Industries Corp., Detroit, Mich., in the amount of 5 cents for each share of common stock purchased by the principal underwriter from the selling stockholders. Offering price to the public will be supplied by amendment

Proceeds—The shares to be offered are already issued and proceeds will go to the individual sellers of the shares

Registration Statement No. 2-5029. Form A-2. (8-1-42)

Nu-Enamel Corporation on Aug. 26 filed an amendment to its registration statement giving the public offering price at $2 per share

Registration effective 5:30 p.m. EWT on Sept. 14, 1942

SOUTHERN UNION GAS CO.

Texas Southwestern Gas Co. has filed a registration statement with the SEC for Southern Union Gas Co. (the latter to be the surviving corporation in a proposed merger plan) covering 240,584 shares of Southern Union Gas Co. common stock, par value $1 per share. The name of the registrant will be changed in consummation of the merger plan from Texas Southwestern Gas Co. to Southern Union Gas Co.

Address — 1104 Burt Building, Dallas, Texas

Business—Primarily engaged as an operating utility company

Underwriting—E. H. Rollins & Sons, Inc., is the principal underwriter

Offering—Agreement of merger provides, among other things, that the survivor corporation shall offer approximately 240,584 shares of its common stock, par $1 per share, for subscription by holders of the presently outstanding common stock of Southern Union Gas Co., New Mexico Gas Co., and New Mexico Eastern Gas Co. at the price of $1.50 per share. Details of the merger plan have been filed with the Commission and previously announced

In addition to the securities to be issued in exchange for outstanding securities of the constituent companies involved in the merger plan, the details of which have previously been filed with the Commission and made public, the company will issue and sell for cash $3,650,000 of first mortgage sinking fund bonds, 3¾% series due Oct. 1, 1962

Registration statement reveals that E. H. Rollins & Sons, Inc., has advised the company that it has agreed to sell the bonds for the survivor corporation at a price equal to not less than 103¾% plus accrued interest, in such manner that there will not be involved any public offering of the bonds requiring their registration under the Securities Act of 1933. As compensation for its services in finding a purchaser, the banking firm is to be paid a commission of one-half of one per cent of the aggregate principal amount of the bonds

The banking firm also has agreed to purchase any unsubscribed shares of common stock offered to present shareholders of the constituent companies

Proceeds—The proceeds to be received by the survivor company from the sale of its bonds in the face amount of $3.650.000 and from the sale of common stock for cash and $250,000 of the proceeds from the Southern Union Production Co. loan will be used towards redemption or payment of debt of Southern Union Gas Co. (old Co.), Texas Southwestern Gas Co., New Mexico Gas Co., New Mexico Eastern Gas Co., reorganization expenses and working capital

Registration Statement No. 2-5046. Form A-2. (9-28-42)

STILLWATER WORSTED MILLS, INC.

Stillwater Worsted Mills, Inc., a newly organized company, has filed a registration statement with the SEC covering 30,000 shares of preferred stock, $10 par value; 30,000 shares producers common stock, $10 par value and 60,000 shares of common stock, $10 par value

Address—East Avenue, Harrisville, Rhode Island

Business—Plans to engage in business of worsted yarn and cloth manufacture, including dyeing and finishing

Offering—The 30,000 shares of producers common and the 60,000 shares of common stock are to be offered for sale at $10 a share. The 60,000 shares of common will be offered to a group of approximately 30 executives and key employees of the old Stillwater Worsted Mills and the 30,000 shares of producers common stock to other persons than above now employed by Stillwater Worsted Mills and its subsidiaries. Stillwater Worsted Mills, Inc., the new company will acquire properties of Stillwater Worsted Mills, the old company, located in Rhode Island, Virginia and Connecticut and certain stocks of finished cloth located in New York and Illinois. The statement says the new company does not intend to engage in the business of top manufacture in which the old company has engaged and intends to continue to engage.

The new company also plans to issue and have outstanding $2,910,000 of first mortgage serial bonds, maturing from 1944 to 1967, which will carry an interest rate varying from 2 to 5%

The statement says that the new company has no present intention of issuing the preferred shares, planning to hold them for ultimate conversion of the producers common shares.

Registration Statement No. 2-5041. Form A-1 (8-28-42)

Registration effective 5 p.m. EWT on Sept. 23, 1942

THE TRION COMPANY

The Trion Company has filed a registration statement with the SEC for 6,000 shares of 7% cumulative preferred stock, par value $100 per share.

Address—Trion, Georgia.

Business—Company manufactures, finishes and fabricates cotton goods in its plant at Trion, Ga.

Underwriting—Courts & Co., Atlanta, Ga., is named principal underwriter. Other underwriters will be named by amendment.

Offering—The 6,000 shares registered are issued and outstanding and are being offered for the account of a corporation and individual stockholders. The price to be paid for the stock by the underwriters and the offering price to the public will be supplied by amendment.

Proceeds—The registrant is not to receive any of the net proceeds which will go to the selling stockholder.

Registration Statement No. 2-5035. Form S-2. (8-13-42)

Amendment filed Oct. 6, 1942, to defer effective date

Trion Company on Oct. 9 filed an amendment to its registration statement which places the number of shares of 7% cumulative preferred stock to be offered at 5,496 in place of the 6,000 shares named in original registration statement

The underwriters and the number of preferred shares which each has agreed to purchase are given as follows: Courts & Co., Atlanta, 1,000; R. S. Dickson & Co., Inc., Charlotte, N. C., 1,000; Kirchofer & Arnold, Inc., Raleigh, N. C., 950; Milhous, Gaines & Mayes, Inc., Atlanta, 500; Wyatt, Neal & Waggoner, Atlanta, 500; Brooke, Tindall & Co., Atlanta, 450; J. H. Hilsman & Co., Inc., Atlanta, 450; Robinson-Humphrey Co., Atlanta, 400, and Clement A. Evans & Co., Inc., Atlanta, 246 shares

Offering price to the public will be supplied by amendment

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed Sept. 28, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. re-

gistered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed Oct. 15, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed Oct. 17, 1942, to defer effective date

UNITED WHOLESALE DRUGGISTS OF ST. LOUIS, INC.

United Wholesale Druggists of St. Louis, Inc., has filed a registration statement with the SEC covering 4,000 shares of no par value common stock. Company was organized Aug. 11, 1942

Address—100 West Tenth Street, Wilmington, Del.

Business—It proposes to operate a warehouse at St. Louis. The corporation has been formed for the purpose of enabling distributors of United Drug Co. to have the benefit of purchases at wholesale of merchandise other than that sold by United Drug Co.

Underwriting—No underwriters named.

Offering—This offering of stock is not being made to all distributors of United Drug Co. products but is limited to those in the area economically served from St. Louis. Shares are to be sold at $50 per share for a total of $200,000 to the distributors of the products of United Drug Co. It is not contemplated that it will be necessary to borrow money. However, in the event a temporary loan is necessary pending receipt of funds to be raised from the sale of this issue, a loan not in excess of $50,000 may be made to the corporation by United Drug Co. At no time will there be over $200,000 raised from all sources. In the event such a loan is made it will be a form of a note for one year with interest at the rate of 3%. The benefits from such sales will be distributed to stockholders as dividends, monthly participations of earnings, and year-end checks of remaining earnings. Each stockholder will be allowed to increase his holdings as his merchandise purchases increase so he may hold stock proportionate to his purchases in order to receive his share of earnings

Proceeds—So far as determinable, the funds will be devoted in the amounts and to the purposes indicated, namely, to purchase of merchandise for sale to retail druggists $185,000, and to working capital $15,000

Registration Statement No. 2-5045. Form A-1. (9-24-42)

Registration Statement effective 5:30 p. m. ESWT on Oct. 16, 1942

UNIVERSITY CLUB OF CHICAGO

University Club of Chicago has filed a registration statement with the SEC for $802,500 principal amount of 4% debentures due Sept. 30, 2105

Address—76 East Monroe Street, Chicago, Ill.

Business—The club has operated since its organization in 1887 and intends to continue to operate as an organization for educational, social and fraternal purposes. It has no capital stock and is not operated for pecuniary profit but is operated solely for the benefit of its members

Offering—At the time of construction of the club building presently operated by the club there was organized under the laws of the State of Illinois, a stock corporation known as the University Auxiliary Association. The shares of that corporation were largely subscribed by members of the club and the association used the funds so obtained for the construction of the club building. The club now proposes to offer its 4% debentures—being the securities registered hereby—in exchange for the outstanding shares of the association, other than shares of the association owned by the club, and upon acquisition of such shares, or such proportion thereof as shall be approved by the board of directors of the club, to cause the association to be dissolved and liquidated.

It is considered that the issuance of the 4% debentures of the club in such exchange is a "reorganization" within the purview of the definition of that term set forth in paragraph 5 (1) of the rules as to the use of Form E-1 as constituting "the exchange of securities by the issuer thereof for securities of another issuer." The club proposes to offer its 4% debentures in exchange for shares of the University Auxiliary Association on the basis of $100 principal amount of debentures for each share of the Association of $100 par value, other than shares of the Association owned by the club

Registration Statement No. 2-5042. Form E-1 (9-8-42)

Amendment filed Sept. 24, 1942, to defer effective date

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., in dissolution, to the extent of 436,691 shares. National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Amendment filed April 21, 1942, to defer effective date

ABA To Hold Wartime Personnel Conferences

The schedule for the wartime personnel conferences to be held by the American Bankers Association in Federal Reserve districts throughout the country is nearing completion, it is announced at ABA headquarters in New York City. Four meetings will be held in the Middle West between Oct. 29-Nov. 6, and five meetings will be held in Southern and Middle Atlantic Federal Reserve districts between Nov. 16 and Dec. 11. Invitations have been sent to all ABA members in the Middle West, and will go forward shortly to banks in the Southern and Middle Atlantic areas.

The schedule for the Middle Western conferences follows:

Oct. 29—Federal Reserve District No. 9. At the Nicollet Hotel, Minneapolis.

Nov. 2—Federal Reserve District No. 10. At the Muehlebach Hotel, Kansas City.

Nov. 4—Federal Reserve District No. 8. At the Statler Hotel, St. Louis.

Nov. 6—Federal Reserve District No. 7. At the Drake Hotel, Chicago.

In its announcement the ABA says:

"The conferences will be patterned after those held in Cleveland during the latter part of September and in Boston earlier this month. At these conferences, William Powers, ABA Director of Customer and Personnel Relations revealed to those in attendance the findings of a survey conducted by the Association which shows that the nation's banks will have to replace at least 100,000 employees who will be drafted into the armed forces and into defense industries by the end of 1943. In addition, panel discussions have been conducted at each of these conferences, which have been participated in by bankers from the districts where the meetings were held. As in Cleveland and Boston, the panel participants at the forthcoming meetings will be bank personnel officers who have had extensive experience in recent months in meeting and dealing with problems of personnel losses, replacements, and new employee training that have resulted from the war. Representatives of large metropolitan banks and smaller banks in rural districts will participate. The meetings are to be conducted with a minimum of formality and questions and suggestions from the floor will be welcome.

"Developments in the manpower situation emanating from Washington during the past week indicate that serious personnel shortages facing banks during the coming year have been pictured correctly by the ABA's survey and the conclusions drawn from it and presented at the personnel 'clinics.' The draft of 18-19-year-old men now being legislated by Congress, induction of married men, and the forecast by President Roosevelt that legislation may be necessary to draw manpower from civilian work into war industries was anticipated in the ABA's statistical presentation of the bank personnel shortage.

"Although the dates have not yet been set for the meetings in the Southern and Middle Atlantic districts, the cities in which they will be held are as follows:

Federal Reserve District No. 5 at Richmond.

Federal Reserve District No. 6 at Atlanta.

Federal Reserve District No. 11 at Dallas.

Federal Reserve District No. 3 at Philadelphia.

Federal Reserve District No. 2 at New York.

No arrangements have as yet been made for the conference on the Pacific Coast."

Federal Conciliator To Adjust Strike Of J. S. Bache Employes

Following the failure to effect through arbitration a settlement of the strike of employes of J. S. Bache & Co. a request was made on Oct. 10 to Dr. John R. Steelman, head of the conciliation branch of the United States Department of Labor in Washington, that his agency intervene to settle the strike. The request came from Edward K. Flaherty, general organizer of Local 20,940 of the American Federation of Office Employees (AFL) following the failure of a move by Mayor La Guardia to seek an adjustment of the dispute. Mrs. Ethel S. Epstein, the Mayor's labor secretary, following a conference on Oct. 10 with representatives of both sides is reported as stating that the firm had declined to accept her suggestion for arbitration, and added that "there is no possibility of mediation working."

At the instance of Dr. Steelman. R. V. Somerville of the United States Department of Labor, arrived in New York from Washington on Oct. 13 to seek to adjust the differences. The New York "Times" of Oct. 14, indicating this, said:

"Mr. Somerville declined to say whether he had conferred with union or company attorneys during the day. Asked if it was true that attorneys for Bache & Co. had refused to agree to a War Labor Board referee mediating the case, and that he was turning the entire case over to the WLB, Mr. Somerville replied: 'No Comment.' ".

The strike was referred to in these columns Oct. 8, page 1251, at which time it was said that State mediators had withdrawn from efforts to settle the strike. It had since been reported that a union representative had threatened a general strike of Wall Street office workers. As to the rescinding of orders for a general strike we quote the following from the "Times" of Oct. 11.

"Pending action on the appeal to Dr. Steelman, union leaders said they had rescinded orders for a general strike of workers in other Wall Street brokerage houses, originally set for next Tuesday.

"We are not going to pull a general strike unless we are forced to do it, and we have advised our members in other offices not to walk out on Tuesday morning in order to give Dr. Steelman a chance to intervene in the situation," Mr. Flaherty said. "The union intends to use every possible means of obtaining a peaceful settlement."

Our Reporter's Report

(Continued from First Page)

SEC and Municipals

The State and the City of New York, through their respective Comptrollers, have joined the growing opposition to the Securities and Exchange Commission's proposed regulation governing bonds issued by States and municipalities.

In a letter to Chairman Ganson Purcell, both Joseph V. O'Leary, for the State, and Joseph D. McGoldrick, for the city, expressed the belief that "this enactment would be ill advised because it would have seriously adverse effects upon the financing of the State of New York and of every municipality and subdivision of the State for a variety of reasons," which they then proceeded to outline.

The SEC proposal would require any dealer entering into any transaction in these securities with any individual or corporation, other than another dealer, to advise the individual of the best current bid and asked prices for the security.

New IBA Chief Looks Ahead

Jay N. Whipple, of Bacon, Whipple & Co., Chicago, just elected President of the Investment Bankers Association, should prove a welcome tonic for the investment fraternity, which has been listening to much discussion of the new order to follow return of peace.

Upon his election this week, Mr. Whipple expressed the firm conviction that private enterprise and private financing will not be replaced, except in certain necessary circumstances, by public ownership and government financing.

And he advised his listeners to prepare themselves for an era of financing after the war which will find demand for capital not only in this country, but abroad, "far exceeding anything in our previous experience."

Treasury Sets Refinancing

Early next week the Treasury it announces, will be in the market with another undertaking running to some two billions of dollars.

By far the largest part of this projected financing will take the form of refinancing since it will be aimed at retirement of $1,500,000,000 of outstanding ½% certificates maturing Nov. 1, next.

But it will also involve raising of $500,000,000 of new money for the war chest, and will bring Treasury operations for the current month to more than $6,000,000,000. Details are due next Monday.

Alabama, Great Southern

On the same day the Alabama. Great Southern Railroad will open bids for its $9,500,000 of 25-year 3¼% first mortgage bonds.

Since corporate new issues have been as scarce as the proverbial "hen's teeth" there is every indication that competition will be keen, especially with railroad earnings providing a favorable backdrop for the financing.

Now Proprietorship

Peter J. Morgan is now sole proprietor of Peter Morgan & Co., 31 Nassau Street, New York City, Wistar Ambler having withdrawn from partnership in the firm.

Investment Trusts

(Continued on page 1430)

to 28.3% from 23.0%, while government bonds and cash decreased to 2.6% from 16.6%.

As of Sept. 30, the portfolio was diversified as follows:

Common Stocks:		
Industrials	51.4	
Rails and rail equipment	9.6	
Utilities	3.2	64.2
Preferred Stocks		4.9
Bonds:		
Industrials	2.2	
Rails	8.6	
Utilities	17.5	28.3
Other Assets:		
Government bonds	1.0	
Cash and other net assets	1.6	2.6
		100.0

* * *

The Keystone Corp. is out with an ingenious little folder containing a "3 Minute Test." The appreciation possibilities (as measured by their 1937 highs), the 1941 earnings after taxes and the 1941 dividend payments of 25 "blue chip" stocks in terms of a $10,000 investment in each are listed on one flap of the folder. The names of the securities are not included. You are asked to check the five best performers in each of the three categories on the basis of the figures given. Then, by reversing the fold, the names of the 25 stocks appear alongside their performance figures. Keystone Series "S 2" is the only security in the group which ranks among the first five in all three categories.

* * *

Fundamental Investors reported total net asset value on Sept. 30 amounting to $5,760,925.38. This was equal to $14.76 per share, representing an advance of 12.2% from the $13.15 value at the close of the preceding quarter.

* * *

"An Equity In America" is the title of the new Hare's, Ltd., folder on fire insurance stocks. The point of the title is convincingly made and the further point that fire insurance stocks provide a good hedge against inflation is also stressed. On this latter point the record of World War I is cited wherein leading fire insurance stocks reported an increase of 64% in stockholders' equity and 61% in dividend disbursements.

* * *

Accompanying the Oct. 15 issue of National Securities & Research Corp.'s "Investment Timing" Service is a sheet containing supporting data to the Stock Yield Index, one of the eight component indexes of that organization's well-known Investment Timing Index. The data includes a chart giving a graphic presentation of the past performance of this indicator. Comments are, in part, as follows:

"This particular index, which is based upon the relation between stock prices and dividends paid during the preceding 12 months, was, by test, the most accurate of the eight indexes finally used to make up the Investment Timing Index. At no time over the 20-year period it was tested back theoretically, or the three-year period since the data has been published, has this particular index given a false buy signal. In other words, it would have been profitable to buy and sell when signals were received. . . .

"The record of this particular index is such that the buy signal reported in the Investment Timing Bulletin of Sept. 17, 1942, must be regarded as highly significant."

National Bond and Share Corporation reports that net assets on Sept. 30, 1942, taking securities at their market value and after deducting a dividend of 15 cents per share payable Oct. 15, amounted to $6,872,044, equivalent to $19.08 per share on 360,000 shares of outstanding capital stock. This compared with a net asset value of $18.09 per share on June 30, 1942, and with $19.57 per share at the end of last year.

BIDS MADE ON BONDS WITH

COUPONS MISSING
OR
MUTILATED

Inquiries Invited

S. H. JUNGER CO.
40 Exchange Pl., New York
Phone DIgby 4-4832 Teletype N. Y. 1-1779

Elastic Stop Nut Corp. Prefd. Shares Offered

A syndicate headed by White, Weld & Co. and including Shields & Co., H. M. Byllesby & Co., Inc., and The First Trust Co. of Lincoln, Neb., made a public offering Oct. 20 of a new issue of 50,000 shares of 6% cumulative convertible preferred stock ($50 par) of Elastic Stop Nut Corp. priced at $50 per share plus accrued dividends.

The new stock is to be convertible, for each preferred share, at the rate of 3 4/7ths shares of common stock on or before Nov. 30, 1943; 3 13/29ths shares of common stock on or before Nov. 30, 1946; and thereafter, as long as any preferred is outstanding, of 3 1/33rd shares of common stock. The new preferred is redeemable, at the option of the company, in whole or in part at any time on 30 days' notice at $52.50 per share plus accrued dividends.

Proceeds from the sale of the new preferred stock will be used to redeem 1,847.55 shares of outstanding 6% cumulative preference stock of $100 par value, to reimburse the company for sums expended for new machinery and equipment, for additions to plant and for additional working capital.

Elastic Stop Nut Corp. was incorporated in 1934. It maintains and operates factories at Union, N. J., and Lincoln, Neb., where it manufactures, under the trade name of Elastic Stop Nuts, a wide variety of self locking nuts which maintain firm bolted connections under conditions of severe vibration. The corporation also produces auxiliary material used for fastening gangs or series of bolts and nuts in assembly work. At present the bulk of its output is consumed by industries producing military equipment.

On completion of the present financing, the corporation's capitalization will consist of 50,000 shares of 6% cumulative convertible preferred ($50 par value) and 600,000 authorized shares of $1 par value common stock, 389,422 shares of which are now outstanding. There will be no funded debt.

Surrenders To Army

DETROIT, MICH.—William C. Roney & Co., members of the Detroit Stock Exchange, announce their removal to the Buhl Building from the Union Guardian Building which was recently taken over by the U. S. Army.

Spokane
International
Railroad Co.

Escrow Ctfs.

•

HAY, FALES & CO.
Members New York Stock Exchange
71 Broadway N.Y. BOwling Green 9-7030
Bell Teletype NY 1-61

Our Reporter On "Governments"

(Continued from first page)

the market now. It's at dead center again, with no one buying and selling just hanging over everybody. Everybody is worried." . . .

And a check around indicated this was perfectly true. . . . Everybody is worried about (1) who is going to keep this market up by buying outside of the Federal; (2) how the banks are going to take more and more and more and more 2s, when they don't like that bond in the first place; (3) how the Treasury is going to raise the huge sums it needs when already the market shows bad signs of weariness; (4) how we're going to avoid out-and-out inflationary borrowing of funds when we've a financing prospect ahead that dwarfs all considerations. . . .

Have you the answer to any or all of these significant questions? . . . Can you see how we can raise these multi-billions without resorting to direct sales of securities by the Treasury to the Federal Reserve on a tremendous scale and more inflationary financing methods? . . .

Even the most conservative observers squirm as they study the figures, analyze the alternatives. . . .

Of course we've a supported market and we'll continue to have one. . . . And all investors must buy to the limit or they'll create the very situation they fear worst. . . . But you can't stop yourself from thinking. . . .

THE REFUNDING

A $2,000,000,000 issue of certificates of indebtedness will be sold on Monday to refund the $1,507,000,000 of ½% certificates maturing Nov. 1. . . . By so doing, the Treasury is raising an additional $500,000,000 in new cash. . . .

That will finish the job for this month and at the rate of current war bond sales, the Treasury should raise more than $900,000,000 through individual subscriptions this month. . . .

Next month? . . . Assuming the three-month spacing of the taps is to be continued, we should have another reopening of the tap issue for insurance companies and other institutions eligible to go on this subscription list. . . . And sales of war bonds. . . . And maybe some more shorts. . . .

Also there's a report around—which sounds good—that as soon as the tax bill is on the books as law, the Treasury will offer an issue of bills due March 15. . . . A large amount of them to help corporations keep their tax reserves invested and encourage subscriptions from sources which have been lax to date. . . .

INTO THE SHORTEST STUFF

Lots of investors around still who are far from fully invested in Governments. . . . Many corporations reported with fairly big cash balances on deposit with their banks and comparatively few Governments in their portfolios. . . . These apparently don't want long-term Governments and are afraid to buy the new issues. . . . So here's one thing being recommended by experts:

Get yourself fully invested so you'll be at ease with your conscience and know you're supporting the Treasury at this crucial time. . . .

Taking the assumption that you don't want the new ones or the very longs outstanding, buy the shortest-term stuff available and keep rolling them over as they mature. . . .

You'll be in the most conservative position possible; you'll avoid any criticism of your activities; you'll have your money working for you. . . .

INSIDE THE MARKET

Many dealers saying there "are too many possibilities for investment." . . . Morgenthau is confusing the market by the variety of his offerings—certificates, bills, notes, 2s, 2½s as "taps," tax-anticipation notes, war bonds, etc., etc. . . . A narrower choice and a more defined financing program might be more advisable. . . .

Still talk around of the need for issuing one big loan at less frequent intervals, available to all buyers and sold by a nation-wide high-pressure campaign. . . .

Authoritative report from Washington is that Reserve is trying to convince bankers that they must borrow from the district banks to raise their reserves to buy new issues. . . . Cut in reserve requirements for nation as a whole will not come as soon as anticipated a while back. . . . Borrowing technique is recommended for the time being. . . . Plus open market support of the market by the Reserve Committee. . . .

Prime problem of Treasury today is merchandising—merchandising of its over-all point of view on fiscal policy and of its multi-billion dollar loans. . . . Good rules of merchandising suggest seller does not spring surprises on very people he consults and upon whom he depends for support. . . .

Canada's announcement of its Third Victory Loan covers sale of 14-year 3% issue, payable at maturity at 101. . . . Represents advance over issue floated in June, which was a 12-year maturity. . . . Spread between our rates and Canada's not too great. . . .

Proposed SEC Bid, Asked Disclosure Rule Held Harmful To N. Y. State And Municipal Financing

Objections to a proposal of the Securities and Exchange Commission to require over-the-counter dealers to tell their customers the best independent market at the time of each trade have been voiced by Joseph V. O'Leary, New York State Comptroller; Joseph D. McGoldrick, New York City Comptroller, and J. J. Mulcahy, Controller of the Port of New York Authority, in a letter to Ganson Purcell, Chairman of the SEC. The belief is expressed therein that the enactment of the proposed legislation "would be ill-advised, because it would have seriously adverse effects upon the State of New York and of every municipality and sub-division of the State." The New York "Times" of Oct. 21 in noting the opposition to the proposed rule, states that in a joint letter, the Comptrollers recommended that the SEC "look upon State and municipal securities as exempt from the proposed rule on the grounds that it is impractical in transactions involving public securities, and that the losses which the State of New York and its municipalities and political sub-divisions would suffer from its operation are entirely out of proportion to any benefit which it might confer on the investing public." The text of the letter is given as follows in the "Times":

"Our attention has been called to a proposed rule which the Securities and Exchange Commission has suggested be placed into operation. The rule would be applicable to bonds issued by States and by their municipalities and would thus become applicable to the bonds of the State of New York, of the City of New York and of other municipalities of the State.

"In substance, it would require a bond dealer, entering into any transaction in these securities with a person or corporation other than another dealer, to advise the person or corporation of the best current bid and asked prices for the security. If the bid and asked prices could not be ascertained after the exercise of reasonable diligence, the dealer would inform the individual or corporation of the price at which the securities were acquired by the dealer.

"It is our belief that this enactment would be ill-advised, because it would have seriously adverse effects upon the financing of the State of New York and of every municipality and subdivision of the State for a variety of reasons:

"It would impair the liquidity of this type of securities and thus tend to lower their market value.

"Since it would tend to depress the current market level, there would be a consequent increase in the cost of new financing to the State and its municipalities of approximately $10,000 per $1,000,000 of new bonds issued.

"As the proposed rule would slow up dealer sales and increase the dealers' cost of doing business, the increase inevitably would be passed on to the government units issuing the bonds.

"Since it is at times difficult to ascertain true prices for municipal securities and since comparable bond issues have varying characteristics which affect their market value, this difficulty in itself would confuse and perhaps mislead the inexperienced investor.

"Nor is the dealers' cost of the security a true test, in view of the common practice of block purchases of serial bonds. While the dealer buys at an average cost for the entire block, he may sell one portion below and another portion above the average cost, which would be difficult to explain to the inexperienced investor."

Yule Gift Selection Seen Nearly Normal

Early Christmas shoppers, despite wartime curtailments, will have a nearly normal selection from which to choose their gifts in the nation's retail stores, Hughston M. McBain, First Vice-President of Marshall Field & Company, said today, reporting the results of a survey made by merchandise managers.

"Generally speaking," Mr. McBain said, "more than 90% of the kinds of things we customarily sold at Christmas will be available this season.

"Goods manufactured while the nation was still at peace and ordered before the conversion of many plants to war production, will provide—this year, at least—many of the items customarily seen on retailers' Christmas counters," he said.

"In addition to those pre-war made goods, the ingenuity of American manufacturers has created others from materials not needed in war. Shortages will be apparent in some specific lines, and replacement materials will be evident in others, but very few of the items usually given at holiday time will be totally absent."

With one notable exception, there will be no shortage in apparel lines. "Rubberized" materials and rainproof synthetics have gone to war—but suits, coats, handbags, gloves and all kinds of cotton garments will be available in sufficient quantity.

"Replacement materials will be evident in many of these items—made-made fibers for animal fibers; wood, bone, shell and synthetics for metal. But, it has been the experience of Marshall Field & Company, that the replacement material in many instances is equivalent for civilian use to the materials now in war production," Mr. McBain observed.

Ft. Pitt Bridge Works
Common & 6s of 50
Penn. Central Airlines
Convertible Preferred
Mexican External
and Internal Loans
Mexican Interest Arrears Cfs.
Bought—Sold—Quoted
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Costume jewelry will not be curtailed, though the materials from which it is made have already undergone extensive change. Aluminum and stainless steel kitchen ware, except for some stocks on hand, are "out," but in their stead are enamelware, iron and newly developed glass and pottery utensils.

The supply of imported china and dinnerware is now limited to that from England, but this country's kilns are providing china of top quality. "A number of years ago, we brought the technique of making Quimper and Majolica ware to this country," Mr. McBain pointed out, "with the result that our own factories are now turning out ware equal to the foreign product."

Besides the English ware arriving in this country, Irish linens have come in adequate volume. Even Swiss watches still reach this country.

For this year at least, there is an adequate supply of hollow and flat silverware. There is enough luggage, smokers' items and stationery.

Toys have undergone radical change. "Wheel goods" are virtually non-existent in the former sense of the word. Today's toy departments will offer scooters, wagons, pull toys and doll buggies constructed, with the exception of a few nuts and bolts, entirely of wood. Toy PT4's, anti-aircraft guns, airplanes and tanks are in evidence — all made of wood.

"It is already evident that Americans are looking ahead—with the realization that this war is a hard war. They are buying practically. They have an eye toward long wear and usability, comfort and utlity when they shop today.

"And finally, many of them are concentrating on the stay-at-home things in clothes and equipment. I venture to say that this Christmas season will show an all-time high in the sale of parlor games—not for children alone but for adults as well," Mr. McBain concluded.

M. D. Griffith, of NY Board Of Trade Takes War Post

At a special meeting of the Board of Directors of the New York Board of Trade, on Oct. 15, a leave of absence was granted to M. D. Griffith, Executive Vice-President, from the New York Board of Trade. Mr. Griffith will be located in Washington on a temporary basis until Dec. 15th, to handle a special assignment for the War Department. Sidney J. Weinberg, Assistant to Donald Nelson, formally requested the New York Board of Trade to grant the leave of absence. Mr. Griffith has been the Executive Vice-President of the Board for the past 15 years. John C. Ostrom was appointed Acting Executive Vice-President during Mr. Griffith's absence. Mr. Ostrom will also continue in his present post as Secretary of the Drug, Chemical and Allied Trades Section.

BUS. ADM.
LIBRARY

OCT 23 1942

Final Edition THURSDAY Three Sections—Section Two

FINANCIAL The COMMERCIAL & CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4118 New York, N. Y., Thursday, October 22, 1942 Price 60 Cents a Copy

Congress Completes Record Tax Bill—New Revenue Put At $8.5 Billion

Final Congressional action on the record-breaking tax bill, which the Treasury estimated will yield over $8,500,000,000 gross revenue, came on Oct. 20 when the Senate and the House adopted the conference report. The measure was expected to be signed by President Roosevelt yesterday (Oct. 21) in order that the new and increased excise taxes would become effective Nov. 1. The House approval of the conference report was by a vote of 130 to 2 and Senate adoption by a voice vote. The joint conference committee had reached complete agreement on the tax bill on Oct. 17 following five days' work on the several hundred Senate amendments written into the House measure.

It is estimated that the number of individual taxpayers next year will be increased from the present 29,000,000 to 44,000,000, chiefly as a result of the "Victory tax" and lower exemptions. The major provisions of the bill passed by the Senate on Oct. 10, including the 5% Victory tax, freezing of Social Security taxes at 1% and a combined rate of 40% on normal and surtax earnings of corporations, are retained in the completed bill.

The Treasury's estimate of the total revenue yield of the bill, $6,881,830,000, which does not include about $1,700,000,000 to be rebated to taxpayers in post-war credits, differs from that of Senator George (Dem., Ga.), Chairman of the Senate Finance Committee. Senator George figures the bill will yield close to $8,000,000,000 in direct revenue, with an additional $1,750,000,000 representing post-war rebates to corporations and individuals. In view of present Federal collections running at the rate of $17,000,000,000, it appears likely that the collections in 1943 will pass the $26,000,000,000 mark. Added to this sum will be State and local taxes of about $10,000,000,000, thus bringing tax payments to one-third of the estimated national income of $110,000,000,000.

One of the last-minute actions taken by the conference committee was the elimination of the Senate proposal for a Joint Congressional Committee to study the question of compulsory savings and new sources of revenue. It is believed this action was taken because the Treasury has announced its intention of seeking an additional $6,000,000,000 in new revenue soon and that, therefore, there was not sufficient time for such an inquiry.

Reinstated in the bill was the transportation tax on the cost of freight and express shipments at a rate of 3%, instead of the 5% favored by the House and its

(Continued on page 1445)

FROM WASHINGTON AHEAD OF THE NEWS

By *CARLISLE BARGERON*

It would be interesting to have some of the candidates for the Senate and the House who are inveighing against dictatorship these days tell just how they propose stopping the tendency in this direction if they are to be elected to office. It isn't that I don't like to see them inveigh against it; it is not, perhaps, that they don't feel very strongly about it.

But frankly, the American people are applauding dictatorial tactics these days; very likely unwittingly so. It is not a manifestation of the war, either. They have unconsciously been clamoring for it for a long time. I am assuming the editors reflect their mood.

Take any problem we have: What is the solution, what is the clamor? It is not that the Congress work on it. The cry is for a "strong" man, one who will pay no attention to Congress. These strong men have never solved anything. They come to Washington, are assigned a clever publicity man who guides them through the antics of being strong men and as a result they enjoy a headline favor for a period. Eventually, another clamor breaks out about these strong men, and the result is that another strong man is placed over them.

It is a commentary on our mood that Bill Jeffers, the rubber czar—that word "czar" is becoming more and more popular with us—was applauded by the whole country recently when he bawled out a Senate committee. That's the stuff, the editors all shouted. That's what we need to win the war. Little do the editors and the people generally know what training, what behind-the-scenes work went into this making a strong man of Jeffers. He has

(Continued on page 1445)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

GENERAL CONTENTS

Editorial

Page
Excessive Delegation of Powers.....1442

Regular Features

Financial Situation 1441
From Washington Ahead of the News 1441
Moody's Bond Prices and Yields....1450
Items About Banks and Trust Cos...1456
Trading on New York Exchanges...1454
NYSE Odd-Lot Trading..............1454
N. Y. and Curb Exchange Reacquired Stock Changes 1451

State of Trade

General Review 1443
Commodity Prices—Domestic Index.1452
Fairchild's Retail Price Index......1453
Carloadings 1455
Weekly Engineering Construction..1451
Paperboard Industry Statistics......1451
Weekly Lumber Movement..........1454
Fertilizer Price Index..............1449
Weekly Coal and Coke Output......1453
Weekly Steel Review...............1449
Weekly Electric Output............1449
Moody's Daily Commodity Index....1450
Weekly Crude Oil Production......1452
Non-Ferrous Metals Market........1455
Cottonseed Receipts Again Higher..1452
General Crop Report as of Oct. 1...1446
August Mortgage Recordings Lower.1451
Sept. Department Store Sales in N. Y. District 1453
Sept. Business Failures Decline.....1453
Commercial Paper Outstanding.....1454
Treasury Reports 1940 Tax Returns.1454
Bankers' Dollar Acceptances Outstanding 1449
Condition of National Banks........1450
American Zinc Institute Summary.. *
Copper Institute Summary......... *
Pig Iron Production.................. *
Daily and Weekly Copper, Lead and Zinc Sales .... *

* These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in Aug. 27, 1942, "Chronicle.")

Miscellaneous

Congress Approves Record Tax Bill.1441
Democracy Endangered by Dictatorial Methods 1442
Signs Citizenship Preservation Bill..1442
Taylor Returns From Vatican......1442
Urges Repeal of Contracts Renegotiation Law 1456
N. Y. Savings Banks' Deposits Up..1456
Federal Tax Laws Discussed........1456
Propose Change in Rent Control Rules 1456
War Objective: Liberty, Liberation.1452
Standley to Confer With FDR on Russia 1452
Southern Railroads Increase Fares..1451
Ethiopia Welcomed as Ally.........1451
Suggests Federal Agency to Promote Post-War Technological Advances.1448
FDR Opposes Freezing Social Secuity Tax 1448
Sees Need of Women in War Work..1448
Ration-Bank Plan Starts in Albany.1448
Sept. Life Insurance Sales Down....1448
Illinois-Wisconsin District Leads in Bond Sales 1448
FDR Asks Creation of Rehabilitation Board 1447
St. Lawrence Project Off for Duration 1447
Heads WPB Coordination Unit.....1447
Record Employment Cuts Labor Reserve 1447
May Take Census of American Foreign Holdings....................1447
Chicago Home Loans Decline.......1447
Mine Workers Sever CIO Connections 1444
New England Assured of Fuel Oil..1444
Byrnes Acts to Commercial Rentals.1444
U. S., Britain to Relinquish Extraterritorial Rights in China........1444
Lauds Lend-Lease Program........1444
Electric Home and Farm Authority Ended 1444
Federal Intermediate Debenture Financing 1444
Roosevelt Supports Bennett for New York Governor 1453
Urges "In-Plant Training" to Minimize Manpower Deficiency......1445
Govt. Starts Purchasing Tires......1445
Life Insurance Presidents Cancel Convention 1445
Reserve Board Amends Consumer Credit Rules 1449
Non-Farm Foreclosures............1450
Brazilian Ambassador Feted........1443
NWLB Reserves Right to Order Wage Cuts 1443

THE FINANCIAL SITUATION

Congress has finished its work upon a new tax bill. Like all tax measures for years past it is a miserable product. The Secretary of the Treasury has lately let be known that he will shortly ask for another, which doubtless will be no better and quite possibly worse. At bottom the glaring defects of all these tax measures are those which spring directly from the political philosophy of the day which is at the roots of countless other measures and acts of government which are sucking the very life blood from our economic system. And worst of all, as one astute observer recently remarked, no one, or at most relatively few, seems to "give a damn."

A World-Wide Phenomenon

Evidently there is something terribly awry somewhere, and that something is not confined to this country. In one way or another an almost equally deadly blight is found today in virtually every land on the globe. In this country it is customary to lay responsibility upon the New Deal, upon "pressure groups," upon supine or unintelligent legislators, or upon crafty demagogues who think more of public office than they do of public welfare. There is, of course, weight in all these arguments, but it seems to us that they do not really get to the root of the matter. We sometimes wonder if Lord Macaulay did not foresee and understand our present calamity much better than we ourselves in the midst of it perceive or grasp its nature now.

It was in the course of a letter to a biographer and worshipper of Thomas Jefferson written in 1857 that this great essayist presented his analysis of our system and his forecast of its ultimate course. Here in part is what he said:

> The time will come when New England will be as thickly peopled as old England. Wages will be as low, and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams, hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test. Distress every where makes the labourer mutinous and discontented, and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity that one man should have a million while another cannot get a full meal. In bad

(Continued on page 1443)

They Are At It Abroad, Too!

We must plan full employment for all our people. Many of our prime controls have come to stay though their post-war shape may change. Pre-war social inequality must never return. The interest of the community must unquestionably override all sectional interests.

Britain has a lot to learn from the United States and Russia. They displayed far more resilience and enterprise than we did—we were too stiff in the joints, too pot-bound, too conservative even in the Labor party.

Unless all this changes after the present conflict the United Kingdom is doomed to dwindle to the stature of a third rate power.—Hugh Dalton, Minister of Economic Warfare in Great Britain.

The English may in the future learn a good deal more from us, but it is evident from Mr. Dalton's remarks that they have already learned a good deal about high-sounding words—and day dreaming.

The New Deal, too, is "planning" full employment—and much else—for the post-war period.

We can only hope that thereby we shall not "dwindle to the stature of a third rate power."

Dictatorial Methods Endanger Democracy

The belief that many people are ignoring "the development of dictatorial methods in this country" was expressed by Mrs. John L. Whitehurst of Baltimore, President of the General Federation of Women's Clubs, at Chicago on Oct. 16. According to Associated Press accounts from Chicago on Oct. 17 Mrs. Whitehurst in a report to the Federation's Board of Directors asserted that too many people think that Germany and Japan are fighting only for more territory, instead of "the real motive — that of dominating the world through an idealogy of government which is abhorrent to us." Axis countries "have the will to fight because they are fighting for a positive objective," she told the meeting, it is indicated in the Associated Press advices appearing in the New York "Sun," which further quoted her as follows:

"We are fighting to defend ourselves even though we did not want to do so. The reluctance to fight is causing many of our people to sit back complacently and ignore the development of dictatorial methods in this country.

"You have listened to prominent men advocate world socialism lately, but what is socialism but Government control? Whether control is vested in an individual or in a small political group, it is still control—it is not democracy.

"Many of the underprivileged believe that such a form of Government will provide more of this world's goods for them, so they probably will accept it; others believe that to be patriotic we should do everything we are asked to do, without complaining or without thinking things through, thus permitting our own democracy to slip from us while we are fighting to preserve it."

Mrs. Whitehurst also declared that women's organizations "are taking a secondary place to a newer set-up planned under political direction" and that "there is an attempt, by whose direction no one knows, to decentralize the organizations which have helped to keep America democratic."

President Signs Bill Preserving Citizenship

President Roosevelt signed on Oct. 9 the bill amending the Nationality Act of 1940 to preserve the nationality of citizens residing abroad. The measure, designed to protect American nationals living abroad against expatriation, extends from two to four years the time during which citizens must return to this country in order not to be deprived of their citizenship. The extension of time was granted because of the difficulties of travel during wartime.

The legislation passed the House on July 21 and the Senate on Oct. 1.

Returns From Vatican

Myron C. Taylor, President Roosevelt's personal representative to the Vatican, arrived in New York on Oct. 12 aboard a trans-Atlantic clipper from Europe. Mr. Taylor will report to the President regarding his conversations with Pope Pius XII, held on Sept. 19 and 22. He arrived in Rome on Sept. 17 after being away from Vatican City for nearly a year due to illness. Before returning to this country, Mr. Taylor made a brief visit to London but declined to comment regarding his activities in either Rome or London.

His return to the Vatican was mentioned in these columns Sept. 24, page 1093.

Editorial—

Excessive Delegation of Powers

In war-time, efficient and fast-moving administration requires a great delegation of power by the legislative to the executive. At present, however, the need for delegation in certain directions is being accompanied by careless and excessive delegation in others, and a delegation that hampers rather than helps the war effort. Two outstanding examples of such careless, unnecessary, and harmful delegation may be cited.

The first of these is the war contracts re-negotiation statute, hastily rushed through by Congress as a rider to a routine appropriation bill last April. In that statute, Congress casually instructed the chief contracting departments to re-negotiate contracts wherever and whenever they thought profits were excessive. And that is just about the law.

At no time did the Congress state just what it considered excess profits. It did not stipulate whether the profits were to be considered on each contract separately or whether a firm's entire earnings from war production were to be considered. It didn't specify any method whatsoever for calculating excess profits—whether they were to be figured as a certain percentage of sales, or as a percentage return on investment. Most important, it did not specify what percentage constituted a criterion of excessive or unreasonable earnings.

So completely vague and baffling was this statute that it created an outcry from almost every company producing for the war effort. This outcry forced the adoption of numerous amendments before the statute was six months old. The new tax bill just being completed contains a series of amendments which eliminate some of uncertainties from the law. For example, they legalize the right of the re-negotiators to consider a firm's entire earnings from war production rather than merely from a single contract, they limit the number of re-negotiations that may be demanded of a contractor and they effect certain other technical improvements.

But as valuable as these amendments are, that were rushed through before the law was six months old, they do not rectify the chief fault of which we are talking. They do not provide any standard or criterion by which to judge when earnings are excessive, nor do they contain any formula or definition of the proper method of calculating profits.

Small wonder under such a law granting the contracting departments carte blanche that those departments themselves have in no wise attempted to clarify the principal problem. In recent hearings on the tax bill, a representative of the War Department was pressed for a definition of what percentage of profits was being allowed in re-negotiation proceedings. Although he reported on dozens of proceedings, he stated that the range was too wide to permit of any generalization as to an allowable, or "fair" figure for profits.

The re-negotiation boards have stated that they were considering only profits before taxes and were not concerned with profits after taxes. In addition, they have stated that in general they were concerned with profits in relation to sales and that usually they attempted to calculate whether a contractor's profits represented a fair percentage or an excess percentage on sales. These statements would materially reduce the amount of uncertainty about the law if they had the force of law, but one must note that they are mere expressions of official opinion, they are not even formalized policies, and of course can be changed upon a moment's notice.

And even these loose working rules are not as definite as the above description may have made them sound. For example, while the Board's protest that they consider only profits **before** taxes, in actual negotiations they are always quick to point out that a suggested refund will mostly come out of excess profits taxes, that it will not too sharply reduce the firm's profits **after** taxes.

No, even after the incorporation of the amendments now being completed, the re-negotiation law will remain a vague, uncertain statute, which delegates virtually unlimited power over the life and death of all war contractors. And so uncertain is the law's effect that it will continue to occupy with accounting and profit worries executives' time which should be spent upon war production. The tendency of the re-negotiators to point out that most of the refunds they demand come out of taxes is a wry reminder of the uselessness of the law. Why re-negotiate if the excess profits tax will do the job of the re-negotiators?

Then turn to the National War Labor Board for another example of delegation run wild. Here is an agency set up by executive decree, **never authorized in any fashion by Congress.** Not having authorized the creation of this tremendously-powerful agency, naturally our national legislature could not set up standards or criteria by which it was to be guided. Yet this is the agency that determines the labor costs for every war contractor, the agency that is to determine when and where inflationary wage increases may continue and when they may stop.

Here is delegation really run riot. Who can forecast when the WLB will allow and when it will disallow a wage increase, even under the new stabilization program headed by former Supreme Court Justice Byrnes? The Executive Order delegating power over the nation's wages stipulates that the War Labor Board shall not approve wage increases except to correct "maladjustments," "inequities" or "inequalities" in the wage structures, or where necessary to "aid in the effective prosecution of the war." Obviously, these vague, meaningless terms can mean almost anything.

True, the employes of Ford Motor Co. have just been denied a wage increase which some may cite as an indication that the Board will not use these terms to cover a new wage-boosting movement. But the Board took the pains to prepare a careful decision pointing out that the Ford workers did not suffer from inequities or maladjustments. One must agree with the Board when he reads that the employes received wage increases of between 25 and 28% from January, 1941, to May, 1942, when the WLB's own formula only required a 15% raise. And he must agree that there were no inequalities when he reads that the Ford basic pay rate was $1.20 per hour.

But how will the Board interpret these phrases when it deals with employes not enjoying such extremely high pay? Perhaps employes who earn the average rate paid in durable goods industries generally, now approaching $1.00 an hour, may be suffering an inequity compared with the Ford workers. Certainly there is nothing in the Executive Order creating or specifying the Board's powers that will prevent it from adopting any such interpretation.

Completely uninhibited as it is, the War Labor Board has not hesitated to undertake a complete re-making of the industrial relations of the nation. Obviously, the general imposition of maintenance of membership contracts upon virtually every plant that is haled before it constitutes an industrial revolution of the first magnitude that will affect America's economic and political behaviour for years to come. And this change was wrought, let it be remembered, without Congress ever having declared that union membership should be encouraged, let alone forced, in the nation's war plants.

But still another far-reaching revolution is being wrought by this agency, a revolution that goes almost unnoticed among its more exciting decisions. In its rulings in the steel industry cases, and to a certain extent in the auto industry, the War Labor Board is forcing employers to abandon their traditional method of bargaining individually with unions in their plants. Instead the Board is forcing employers to adopt the industry-wide method of bargaining so often followed in Europe and so hotly urged by the CIO unions in this country.

When the Board handed down its decision in the "Little Steel" case, it first ordered the United States Steel Corporation, and then all of the other units in the industry, to adopt wage and maintenance of membership provisions identical with those ordered in the "Little Steel" case. These rulings in effect constituted the entire steel industry as a single unit for collective bargaining.

Now industry-wide bargaining may be far superior to individual company bargaining. Many employers in the coal and garment industries which long have followed such procedure deem it superior to individual bargaining. Yet, the point is that the matter of industry-wide bargaining has never been debated in Congress. Nor has the President ever instructed the Board to take action that would lead inevitably to industry-wide bargaining. Under the blanket delegation of powers under which it operates this Federal agency can simply do almost anything, and it does.

Its maintenance of membership clauses, and its efforts to force industry-wide bargaining represent changes in industrial relations only slightly less important than the change effected by the Wagner Act. Yet the Wagner Act was debated in Congress for the better part of two years, while these changes have been debated not at all.

In these two cases of delegation run wild, note that Federal agencies set up with few or even no instructions from Congress are legislating on subjects that threaten the very existence of American business. Note, too, that the tendencies here cited which are so threatening are by no means essential to the war effort, indeed they hamper and interfere with the war effort. Yet both represent the insidious type of economic control that cannot be rooted out after this war unless the campaigns waged against them are unceasing.

THE FINANCIAL SITUATION

(Continued From First Page)

years there is plenty of grumbling here, and sometimes a little rioting. But it matters little. For here the sufferers are not the rulers. The supreme power is in the hands of a class, numerous indeed, but select; of an educated class, of a class which is, and knows itself to be, deeply interested in the security of property and the maintenance of order. Accordingly, the malcontents are firmly, yet gently, restrained. The bad time is got over without robbing the wealthy to relieve the indigent. The springs of national prosperity soon begin to flow again; work is plentiful; wages rise; and all is tranquility and cheerfulness. I have seen England pass three or four times through such critical seasons as I have described. Through such seasons the United States will have to pass, in the course of the next century, if not in this. How will you pass through them? I heartily wish you a good deliverance. But my reason and my wishes are at war; and I cannot help foreboding the worst. It is quite plain that your government will never be able to restrain a distressed and discontented majority. For with you the majority is the government, and has the rich, who are always a minority, absolutely at its mercy. The day will come when, in the State of New York, a multitude of people, none of whom has had more than half a breakfast, or expects to have more than half a dinner, will choose a Legislature. Is it possible to doubt what sort of a Legislature will be chosen? On one side is a statesman preaching patience, respect for vested rights, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink Champagne and to ride in a carriage, while thousands of honest folks are in want of necessaries. Which of the two candidates is likely to be preferred by a working man who hears his children cry for more bread? I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like people who should in a year of scarcity, devour all the seed corn, and thus make the next year a year, not of scarcity, but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliation.

Such words, of course, now fall strangely upon American ears. A great many citizens in this country upon learning that Lord Macaulay held such beliefs will count him anathema forever after. In some details history has not supported his prophecy. He evidently had no misgivings that "old England" would accompany, if indeed it did not precede, New England upon this strange and destructive course. He is certainly naive in his supposition that the remedy or defense for the calamity could permanently be found in a ruling minority class, such as then existed in his country. Yet it must be said in all candor that he was in the main almost incredibly accurate in his vision of what would at one time or another occur in the United States, and as clear-sighted in pointing to the forces which would bring about the condition which we now suffer.

Where We Must Not Fail

Where he fails is where we in our time must not fail —in finding a solution. He apparently believed that our salvation lay in following the doctrines of Washington and Hamilton rather than those of Jefferson, but obviously this is no solution of the underlying problem, however much wiser such a course might have been or might today be, since our problem is not so much to determine what the wise course is as to discover how to get it adopted. It would be idle to suggest a ruling minority group or class, whatever one might think of that type of political system. The trend of popular thought for the past century or more has been directly in the opposite direction, and the poor, the relatively uneducated, the politically unfit are always in the majority, and hence cannot be denied whatever system they insist upon. No way is at hand for wresting power from them and placing it in the hands of some "select" group, assuming that such a group or class could be identified for the purpose, save of course by means such as those employed by Hitler and Stalin, which doubtless in the long run produce evils worse than those we now suffer.

Our problem is, and of necessity must be, that of finding or developing some effective means of leading precisely those groups which Lord Macaulay so deeply distrusted to see the light. In fine, we must make "democracy work"—but in a sense vastly different from that in which these words are employed by the demagogues who are so busily engaged in making certain that it will work its own destruction. It is a difficult and puzzling problem. It may be that we shall in the end be obliged simply to await the day when the rank and file will learn by experience what history should teach them. We earnestly hope not, but we should be less than candid did we not acknowledge the possibility. But of one thing there can be no doubt: Our future is inextricably bound to and dependent upon the behavior and the basic intelligence of the rank and file —or at least upon their ability and willingness to follow wise leadership. Until we find how to make such leadership effective we shall continue to have bad tax bills and bad government generally.

The State Of Trade

Business activity continues to expand, with almost all leading industries showing gains for the week. The outstanding development in retail trade activity last week was the growing inclination to buy less conservatively than in recent weeks.

The steel industry will operate at a new high record of 101% of capacity this week on the basis of reports received by the American Iron & Steel Institute.

This would indicate production of 1,727,800 tons of steel for the period, compared with 1,714,100 tons last week, when mills turned at 100.2% of capacity. A month ago the operating schedule was 96.2% and output stood at 1,645,700 tons.

Results of the scrap drive cannot be evaluated for another week, but a large quantity of miscellaneous scrap is being uncovered, a great deal of which has not yet been picked up from its concentration points and carried to yards.

New steel orders continue to pile up in the offices of the manufacturers in spite of the recent rise in production, according to reports from various centers. Little or no headway has been made on backlogs and fresh business in the last two weeks has been somewhat greater than in the same period of last month.

Production of electricity increased to 3,702,299,000 kilowatt hours in the week ended Oct. 10, from 3,682,794,000 in the preceding period, according to the Edison Electric Institute. This represents an increase of 10.3% over the year-ago total of 3,355,440,000 kilowatt hours.

The Pacific Coast area showed a rise of 30.8% over last year, and the Southern States a gain of 15.6%. The gain in New England was only 1%.

For the week ending Oct. 10, carloadings of revenue freight were 909,957 cars, according to the Association of American Railroads.

This was an increase of 2,350 cars compared with the preceding week, an increase of 6,080 cars, or 0.7%, compared with a year ago, and an increase of 98,051 cars, or 12.1%, compared with 1940.

Freight revenues of all Class I railroads in the United States totaled $2,788,332,721 in the first six months of this year compared with $2,080,087,890 in the 1941 period, according to the Interstate Commerce Commission.

The railroads are reported to be near the peak of service. Authorities state that the enormous productive effort in which the nation is now engaged has raised the traffic volume of both commodities and persons to heights never before reached, and the peak is still to come. It is stated that difficult transportation problems overcome since Dec. 7, are small compared to those still to be faced.

Engineering construction volume for the week, $157,526,000, is 13% above the preceding week and almost four times as great as the $42,944,000 reported for the holiday-shortened week in 1941, according to "Engineering News-Record." Federal construction makes up 91% of the volume and 18% in public construction, as State and municipal work is 0.2% below a week ago. Private construction declined 55% from last year's total.

Current volume brings 1942's total to $8,133,308,000, or 60% over the corresponding period last year, and already 38.5% above the volume reported for the 52 weeks of 1941.

Department store sales on a country-wide basis were up 25% for the week ended Oct. 10, compared with the same week a year ago, according to weekly figures made public by the Board of Governors of the Federal Reserve System.

Department store sales in New York City in the week ended Oct. 10 were 19% larger than in the 1941 week, and in the four weeks ended Oct. 10 were 1% less than in the comparable period a year ago, according to the New York Federal Reserve.

Advices from Washington state that U. S. Department of Agriculture economists are now working out their detailed estimates of farm crop requirements for 1943, while American farmers, handicapped by a shortage of labor, are still harvesting the biggest crops this country has ever produced, yielding a billion more farm income than ever before.

It is pointed out that the weather this year has been perfect from the farmer's standpoint. There have been no floods, no droughts, no dust storms, no insect plagues. It is doubtful if this country will ever have a better growing season. Next year there may be less farm labor, less farm tractors and less farm machinery. Yet the national goals for farm crops in 1943 will probably be set higher than they were in 1942 for all crops except wheat and short staple cotton.

Farm labor is already proving a serious problem in many sections of the country, and this situation is expected to get worse as time goes on. Employment set a new high in August—the fourth consecutive month—at 57,700,000 as industry and the armed forces continued to cut deeply into the nation's labor reserves with the country moving toward a total war economy.

The survey released by the Division of Industrial Economics of the National Industrial Conference Board further disclosed that this figure represented a gain of more than 500,000 over the previous month and of about 4,000,000 over the preceding year.

"At the close of August there were already 2,400,000 more men and women at work or in uniform than in the normal labor force under peacetime conditions," the Board reports. "Official estimates indicate that 62,500,000 people will be employed in industry and the armed forces by December, 1943, and the possibility exists that a labor force of 65,000,000 or more may be needed by that time."

With regard to the agricultural situation, the Board found that "farmers faced their fall harvest with the lowest August total of farm family workers since World War No. 1. Total agricultural employment, including hired workers, has moved steadily downward by about 300,000 monthly since June."

Brazilian Ambassador Honored At Luncheon

A luncheon in honor of Carlos Martins, Brazilian Ambassador to the United States, was given by the Latin American Section and the New York Board of Trade in the Grand Ballroom of the Waldorf-Astoria Hotel, Oct. 21. Other guests of honor were Mayor F. H. La Guardia, Wayne C. Taylor, Under Secretary of Commerce, and Brigadier General Albert L. Cox, United States Army. About a thousand persons with interests jointly in the United States and South American countries were expected to attend.

The proceedings were broadcast to all of South America over shortwave through the facilities of the Columbia Broadcasting System. Recordings were also made by the Office of the Coordinator of Inter-American Affairs for rebroadcast over South American stations at a future date.

John B. Glenn, President of the Pan American Trust Co. and Chairman of the Latin American Section, acted as master of ceremonies at the luncheon and introduced the honor guests. Mr. Glenn was decorated recently by the President of Mexico with the Mexican Aztec Eagle. The Latin American Consular Corps will be guests of honor at the luncheon.

The Latin American Section, recently formed, now has about 120 members made up mostly of American business men who are vitally concerned with promoting goodwill between North and South America.

The purposes of the Latin American Section generally are: "To bring about a concerted effort on the part of those engaged in Latin American trade to further better understanding between the Latin American countries and to stimulate trade and commerce between them; to provide a clearing house of Latin American trade information, import and export regulations, etc.; to enlist and to merit an understanding by the public of the problems and needs of Latin American business and commerce as a vital part of our national economy, as well as that of the State and City of New York, and to further closer cooperation between those engaged in Latin American trade and public officials."

NWLB Reserves Right To Order Wage Cuts

Taking its first action under the Executive Order of Oct. 3, the National War Labor Board approved on Oct. 7 all increases put into effect on or before Oct. 3, but reserved the right to order discontinuance of further payment of any such increases which it may later find to be inconsistent with the Executive Order or with any policy formulated by the Economic Stabilization Director. This action by the Board was taken in the form of a General Order which the Board issued by virtue of the authority conferred upon it in the Executive Order (referred to in these columns of Oct. 8, page 1265.)

The Board adds:

"Two other general orders were also issued by the Board. In one of them the Board ordered put into effect all increases in wage rates directed by the Board prior to Oct. 3. The other is a procedural order which states that the Board's procedures prior to Oct. 3 shall remain in full force and operation for the adjustment of labor disputes affecting wages. It also provides that whenever the Board takes jurisdiction over a case the parties shall be deemed to have given notice within the terms of Title II, Section I of the Executive Order."

United Mine Workers Sever CIO Connections; Move To Admit Women Workers To Union

The decision of the United Mine Workers of America to open its doors to women and workers outside the coal industry was announced on Oct. 12, during the convention of the mine workers held at Cincinnati. On Oct. 14, John L. Lewis, President of the UMW announced that the latter would start an organization drive among 20,000 chemical workers in West Virginia, 50,000 coal mine supervisory employes and "great segments of agricultural labor." As the convention came to a close on Oct 14 and after conditional agreement to work a 6-day week and postponement of wage demands, Mr. Lewis made a speech pledging his union to "great continued efforts to organize the unorganized." The Associated Press, reporting this from Cincinnati on Oct. 14, further said in part:

"Reiterating previous statements that the UMW—which withdrew from the CIO last week (on Oct. 7)—would not seek to destroy established unions, Mr. Lewis said:

"There are millions more to organize, clamoring for organization. Great segments of agriculture are knocking at the door of the UMW for help toward becoming free and independent citizens.

"Referring to the convention's action amending the UMW constitution to admit non-hiring mine bosses, Mr. Lewis said "we will proceed during the next six months to take them in. They are practical coal miners and former members. Their standards are affected by the industry's wage-structure. It is fitting to protect them and for them to bear their proportional cost of maintenance of the UMW."

"Mr. Lewis also announced that the union would go ahead to "complete the work of organizing the baker's-dozen of coal mines not recognizing the UMW."

He named specifically the Alabama Coal & Iron Co., the Clinchfield Coal Co., and the West Kentucky Coal Co.

"The convention accepted its scale committee's recommendation for a 42-hour week, as requested by Solid Fuels Co-ordinator Ickes for the remaining contract period ending next March 31, after an hour's debate.

"Mr. Lewis immediately sent Mr. Ickes a telegram promising to work out details with Appalachian operators in a few days and set up these three conditions of governmental co-operation:

1. "The necessity of steps to prevent some millions of tons of special-use coal being transported great distances and used for energy-producing purposes, thus closing down mines in the steam-coal areas;

2. "Necessity of the coal industry being given maximum sales prices high enough to permit operators to pay time-and-a-half and rate-and-a-half (equivalent of time and a half when pay is on a production basis) for the sixth day as in other industries;

3. "The necessity for the industry being given priority orders on mechanical supplies and equipment to prevent the lessening of production and the reduction of output per man now on a vast scale throughout the industry."

Commenting on more than 200 resolutions asking for wage boosts mostly for $2 a day over the present $7, James Marks, chairman of the scale committee, promised the 2,800 delegates "every effort to get substantial raises in wages."

"The scale committee report said that specific demands should not be stated now because of the uncertainty due to the war.

"The committee also recommended seeking double-pay for Sunday and holidays; abolition of all "discriminatory differentials between districts"; and adjustment of "inequalities in rates of pay now existing between certain day-wage classifications."

It was noted in the United Press accounts from Cincinnati on Oct. 12 that the Constitutional Committee of the UMW opened the way for taking in workers outside the mining field by the adoption of amendments to the union's constitution which included:

"Adding to the list of workers eligible for membership, hitherto restricted to the coal industries, those of "such other industries as may be designated and aproved by the board, on the American continent." Delegates informally said the change authorized the UMW's District 50, which already is organizing dairy farmers, to go into other fields hitherto unorganized.

"Changing the word "workmen" to "workers" in the jurisdictional section. Officials explained that women likely would replace drafted men in some mining tasks.

"Authorizing the executive board to "prescribe rules and regulations upon which supervisory employes may be admitted to membership." Delegates said this applied only to men who had no authority to hire and fire.

Regarding the severance of relations by the UMW with the CIO, Associated Press accounts from Cincinnati on Oct. 7 said:

"The United Mine Workers of America late today voted almost unanimously to withdraw from the Congress of Industrial Organizations to complete a two-year, steadily widening breach.

"John L. Lewis, UMW chieftain and former CIO President, virtually told the miners in a speech to decide between him and the CIO.

"Although most speakers, previous to Lewis, asked delegates to vote against the split, only a scattering of men stood after the majority had shouted their approval of Lewis' stand."

New England Assured Fuel Oil By President

A delegation of six Governors of New England States conferred with President Roosevelt at the White House on Oct. 13 about the fuel situation and were reported to have received his assurance that every effort will be made to build up their fuel oil stocks. With regard to the conference, Associated Press advices stated:

"They said Mr. Roosevelt indicated he thought the temperature curve should be the controlling factor in distributing available supplies and building up reserves of fuel oil."

After the White House conference Governor Leverett Saltonstall said to reporters:

"We can tell you he (the President) was very sympathetic, he understands our problem and he was very reassuring."

Earlier, Mr. Roosevelt conferred with Representatives McCormack and Casey, Massachusetts Democrats, concerning steps to speed completion of a Florida pipeline and the building of barges to take fuel oil from Florida's East Coast northward by the inland waterway. They said the Executive told them his latest information was that the pipeline definitely would be finished in January, and assured them that barge construction would be expedited for use in the inland waterway.

Earlier the Governors said Harold L. Ickes, oil coordinator, promised that every effort would be made to supply their States with 75% of the normal supplies of fuel oil through the winter months.

Byrnes Acts To Stabilize Commercial Rentals—Asks Treasury's Aid In Regulating Salaries

James F. Byrnes, who was sworn in on Oct. 7 as Director of Economic Stabilization, took action on Oct. 13 to extend the control of rents to all real property, commercial as well as residential.

At his request, Representative Steagall (Dem., Ala.) introduced a bill authorizing the stabilization of all rents, thus supplementing existing law, which permits only the control of rents for housing in defense areas.

Mr. Byrnes, in a statement issued through the White House, said that he had received reports from many States that landlords were demanding increased rentals for grocery stores, restaurants and other properties, the effect of which increases would be to add to the cost of living. Some of these increases, he said, were found to be in excess of 100%.

The membership of the Economic Stabilization Board, which will advise and consult with Director Byrnes, was completed on Oct. 7 with the appointment by President Roosevelt of two representatives each of labor, management and farmers. These public members are:

Labor—William Green, President of the American Federation of Labor, and Philip Murray, President of the Congress of Industrial Organizations.

Management—Eric A. Johnston, President of the Chamber of Commerce of the United States, and Ralph E. Flanders, President of the Jones & Lamson Machinery Co., Springfield, Vt.

Agriculture—James G. Patton, President of the Farmers Co-operative Union, and Edward A. O'Neal, President of the American Farm Bureau Federation.

Besides these members, the Board consists of the Secretaries of the Treasury, Agriculture, Commerce and Labor; the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, and the Chairman of the National War Labor Board, their appointment was indicated in these columns Oct. 8, page 1273.

Mr. Byrnes disclosed on Oct. 8 that he had asked the Treasury Department to recommend regulations for the control of salaries over $5,000 as well as those in excess of a net of $25,000. The President has authorized the Board, in so far as is practicable, to hold down salaries to $25,000 a year, after payment of taxes and with proper allowance for payments on life insurance and fixed obligations previously incurred.

Mr. Byrnes' letter to Secretary Morgenthau follows:

"Dear Mr. Secretary:

"The Executive Order of Oct. 3, 1942, provides in Title II, Sections 5 and 7 as follows:

"Sec. 5. 'No increases in salaries now in excess of $5,000 per year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the director.'

"Sec. 7. 'In order to correct gross inequities, and to provide for greater equality in contributing to the war effort, the director is authorized to take the necessary action, and to issue the appropriate regulations, so that, in so far as practical so salary shall be authorized under Title III, Section 4, to the extent that it exceeds $25,000 after the payment of taxes allocable to the sum in excess of $25,000. Provided, however, that such regulations shall make due allowance for the payment of life insurance premiums on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.'

"Inasmuch as the administration of these two sections is closely related to the administration of the revenue laws, I should appreciate it if you could recommend to me such concrete regulations as you consider appropriate to carry into effect these provisions.

"Section 7 by its terms would appear to affect only salaries as authorized or recognized under Title III, Section 4 of the Executive Order. Inasmuch as the recent emergency legislation seems to authorize a broader and more direct control over salaries, the regulations which you may recommend to carry out the President's objectives need not be limited to Title III, Section 4 of the Executive Order so long as they come within the scope of the powers granted to the President.

"Sincerely yours,

"JAMES F. BYRNES."

The President's Executive Order appeared in these columns Oct. 8, page 1265.

U. S., Britain Announce They Will Surrender Extraterritorial Rights In China

The State Department in Washington announced on Oct. 9 that the United States will undertake in the near future, together with the British Government, negotiations with the Chinese Government for the relinquishment of their extraterritorial and related rights and privileges in China.

Acting Secretary of State Sumner Welles informed Dr. Wei Tao-ming, the new Chinese Ambassador, of this intention and said that a draft treaty would soon be presented to China to accomplish this purpose.

This announcement, made on the eve of the anniversary of the establishment of the Chinese Republic, was hailed by Dr. Wei as the beginning of "a new era in China's relations with the Western Powers" and as serving formally "to seal the end of an outdated and outworn system."

President Roosevelt, in a message to Lin Sen, Chairman of the National Government of China, on the anniversary extended his congratulations and reemphasized "our determination to press forward until the cause of freedom shall be victorious."

The text of the State Department's announcement on the extraterritorality question follows:

"The President of the United States in the year 1934, and the Department of State on July 19, 1940, and on May 31, 1941, expressed the willingness of this Government, when conditions should be favorable therefor, to negotiate with the Chinese Government for the relinquishment of the extraterritorial and related rights and privileges hitherto possessed by the United States in China.

"On Oct. 9, 1942, the Acting Secretary of State informed the Chinese Ambassador in Washington that the Government of the United States is prepared promptly to negotiate with the Chinese Government a treaty providing for the immediate relinquishment of this country's extraterritorial rights in China for the settlement of related questions and that the Government of the United States expects in the near future to present to the Chinese Government for its consideration a draft treaty which would accomplish the purpose mentioned.

"The Government of the United States has, during the last several weeks, exchanged views with the British Government in regard to this general question and the Government of the United States is gratified to know that the British Government shares this Government's views and is taking similar action."

Following is the President's message on the anniversary:

"It gives me deep pleasure on this national anniversary of your country to convey to your Excellency and to the people of China the warm greetings and the whole-hearted congratulations of the people of the United States. During the last year the bonds of friendship which long and happily have existed between our peoples have been welded even stronger in a common struggle against predatory enemies who are attempting to stamp out the freedom which your country and mine so greatly cherish. This anniversary affords us occasion to reemphasize our determination to press forward until the cause of freedom shall be victorious."

Hails Lend-Lease Program

Edward R. Stettinius, Jr., Lend-Lease Administrator, said on Oct. 11 the lend-lease program is "forging a practical partnership" among the United Nations for the defeat of the Axis and will later serve as a basis for continuing the partnership in peace.

Concerning his remarks, made in a radio speech, the United Press reported:

"It is a program of enlightened self-interest," Mr. Stettinius declared. "We are forging a practical partnership that will in the end bring us victory. It is a partnership that will continue after the war. We have learned how much we depend on others, how much others depend on us."

"These agreements lay the foundation for continued friendship after the war. Thus, the machinery developed for united action to win the war will continue to operate in the service of peace," he said.

In giving aid to the United Nations, he said, this country is "no longer the fortunate neighbor lending his garden hose to the friend whose house was on fire."

"We are right in the middle of it now and the enemy knows what lend-lease means," Stettinius said. "He reads its significance in the smashed streets of German cities and in the caved-in factories that had once produced Axis weapons."

Electric Home And Farm Authority Ended

President Roosevelt issued an executive order on Oct. 13 ending the life of the Electric Home and Farm Authority. This Federal agency was established in 1935 to finance the distribution and sale of electric and gas appliances, primarily in rural areas.

The President told a press conference that production of appliances had been so restricted by the war that this financing was no longer needed and no more loans would be made, according to the Associated Press.

Consequently, he said, the remaining functions of the agency are being turned over to the Reconstruction Finance Corporation for liquidation.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on Oct. 17 made a successful placement of $30,645,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. The debentures were sold at par. The debentures are dated Nov. 2, 1942, and $10,925,000, due April 1, 1943, carry a coupon of 0.70% and $19,720,000, due Aug. 2, 1943, carry a coupon of 0.85%. The proceeds of the sale together with $11,255,000 cash will be used to pay off $41,900,000 outstanding debentures due Nov. 2 next. At the close of business Nov. 2, 1942, the banks will have outstanding $263,595,000 debentures.

From Washington

(Continued from first page)

never been considered one of these men of steel heretofore. Instead, he has been looked upon as one of those lovable, companionable types. Notwithstanding that he is the head of a big railroad, the worker refer to him affectionately as "Bill." The Brotherhoods' weekly newspaper, "Labor," published here in Washington, frequently portrays Good Old Bill as one of the boys. But the Government has a vast pool of publicity men—all in there pitching and incidentally escaping the draft—out of which one is always assigned to a newcomer like Jeffers, to teach him how to be a strong man. The way is to bawl out Congress, bawl out the American people, bawl out somebody.

For many months Leon Henderson was the strong man. I remember very well the denunciation heaped by the editors upon Congress because they wouldn't give him the full appropriation he wanted to set up an organization of more than 100,000 men. He's trying to prevent inflation, the editors said, and we certainly can't stint on money or men when a fellow is trying to prevent inflation. Well, it's difficult to tell just what Leon was trying to do. Apparently he wasn't preventing inflation because now another strong man, Jimmy Byrnes, has been set up over Leon, to prevent inflation.

All out over the country business men are crying for help; the farmers are crying for help. There is, we are told, an appalling manpower shortage. One simple solution might be to quit bringing so many strong men to Washington. Each strong man must have an army of lesser strong men with him. But the plan for settling the manpower situation is to bring in still stronger men and their armies of lesser strong men. Apparently the planned solution of this problem is to drain all the manpower into our bureaucracy. There not being any manpower then available for anything else, presumably there won't be a manpower problem.

But Mr. Roosevelt believes in giving the people what they want. The editors insist on strong men with dictatorial authority. It never occurs to them apparently that the overmanned bureaucracy is what is responsible for our problems in the first place. For one thing, it is definitely responsible for the so-called shortages of raw materials, those shortages created by the particular materials not being where they are needed. The Baruch report showed this.

It takes a mighty hardy man to attempt anything in Congress these days. That body is the subject of ridicule and abuse. Out in Michigan, New Deal Senator Prentiss Brown is running for reelection, and the industrialists are backing him, on the ground that he knows the bureaucrats here and can get favors from them. There is no suggestion that he should exercise the proper function of a Senator and try to clean the mess up.

Following Strong Man Jeffers' "putting a Senate committee in its place," the bureaucrats pressed a crusade in the press about how the Senate committees took up their valuable time. The editors generally applauded. Oh, nuts! Pick up the paper any day and you'll read about the bureaucrats being all over the country making speeches. They aren't pressed for time.

Washington has come to be like the old "alley oop" vaudeville act, always the last one on the program. Strong men rushed on to the stage and hoisted one another into the air to form a towering pyramid of strong men. Some day the thing is going to topple down. When it does, there ought to be plenty of timber for the army.

Congress Completes Record Tax Bill

(Continued from First Page)

elimination voted by the Senate.

With respect to the renegotiation of war contracts, the conference group agreed to the Senate amendments changing the basis for renegotiations and limiting such actions to one renegotiation, except in cases of fraud. The present law permitted renegotiations by the War and Navy Departments and the Maritime Commission, if excessive profits were found, as late as three years after the war.

When the House conferees accepted on Oct. 16 the Senate's 40% combined normal and surtax corporation rate, instead of its own 45% rate, it represented a compromise, with the abandonment of the Senate provision repealing the capital stock and declared value excess profits tax.

The conferees also compromised on a $350 exemption for dependents; the Senate had previously voted for $300 while the House favored the present $400 exemption.

Senate approval of its version of the tax bill by a 77 to 0 vote came on Oct. 10. The House bill was passed on July 20.

With respect to the freezing of Social Security taxes in 1943 at the present level of 1% on both employees and employers, the Senate by a vote of 50 to 35 on Oct. 9 approved this proposal instead of permitting the taxes to double automatically on Jan. 1, 1943, as provided in existing law. This action was taken despite an appeal by President Roosevelt, in a letter to Senator George, that "the increase in rates at the present time is not only in accord with the necessities of the Social Security System itself, but at the same time would contribute to the non-inflationary financing of the rapidly mounting war expenditures."

Another important move taken by the Senate on Oct. 9 was the adoption of the so-called "Victory tax" of 5% on gross annual incomes of $624 or more. The tax, to be collected at the source, is estimated to yield $3,600,000,000 and would be superimposed on the regular income tax. Under this proposal a post-war credit would be allowed the taxpayer.

The Senate on Oct. 9 also voted by a 74 to 10 count to include in the tax bill an increase of powers for the Joint Committee on Internal Revenue Taxation. This amendment, opposed by Senator Barkley (Dem., Ky), the Majority Leader, as a "slap" at the Secretary of the Treasury, allows the Joint Congressional Committee tax staff to consult with underlings in Government departments in obtaining revenue information.

Previous action by the Senate included the elimination on Oct. 8, by a 52 to 34 vote, of a provision to tax the future issues of State and local government securities. The Treasury Department had strongly favored the adoption of this amendment, which the Senate Finance Committee had written into the bill.

Earlier (Oct. 7) the Senate approved a 40% combined normal and surtax rate for corporations after rejecting, 75 to 9, a proposal by Senator La Follette (Prog., Wis.) to increase the rate to 50%. The House-approved rate is 45%. The LaFollette proposal was to increase the combined rate to 50% on corporations with net incomes in excess of $25,000.

A summary of the principal provisions of the tax bill as approved by the Senate and House conferees follows, according to the Associated Press:

Individuals

Normal income tax rate increased from 4 to 6%.

Surtaxes now ranging from 6 to 77% increased to range from 13 to 82%, with maximum being applied at $200,000 level instead of at $5,000,000.

New 5% Victory tax imposed on gross income above $624 yearly, with 25% of tax up to $500, rebatable to single persons, and 40%, plus 2% for each dependent, up to $1,000 to married persons.

Personal exemptions for income tax cut from $1,500 to $1,200 for married couples, from $750 to $500 for single persons and credits for dependents reduced from $400 $350.

New credit allowed against income tax for all medical expenses in excess of 5% of net income, with maximum of $2,500.

Corporations

Normal and surtaxes on larger corporations increased from present 31 to 40%.

Flat 90% excess profits tax substituted for present graduated scale of from 35 to 60%, with present specific exemption of $5,000 retained. Average earnings base revised by insertion of relief provision. Invested capital base pared down for larger corporations.

Post-war rebate and current debt reduction credit of 10% of excess profits tax provided.

Over-all taxing limitation put at 80% of net income.

All corporations put on calendar-year tax basis in future with softening provision applicable to 1942.

Miscellaneous

Social Security taxes frozen for 1943 at present 1% on employers and 1% on employees.

Excise taxes increased on liquor, beer, wines, cigarettes, cigars, lubricating oil, slot machines, photographic apparatus and train, bus and plane fares.

New tax of 3% placed on express and freight shipments.

Estate tax exemption cut from $80,000 to $60,000, with insurance limitation abolished.

NAM Urges 'In-Plant Training' To Overcome Manpower Deficiency In War Industry

Pointing out that the skilled and "semi-skilled" workers have found employment and that industry faces an acute labor shortage that will become increasingly worse this winter and in 1943, the National Association of Manufacturers on Oct. 13 re-emphasized to its members the importance of "in-the-plant training programs" as a means to minimize the manpower deficiency.

Based on an up-to-date survey of training programs of its members, the Association, in a supplementary issue of its Industrial Relations Bulletin, said that "everything points to training as industry's number one problem. And there is no training comparable to the on-the-job production experience, geared to carefully planned job analysis, job breakdown and job instruction."

The Bulletin warned that "in-plant training programs cannot be 'standardized' to the extent that a national pattern can be made applicable to all plants, since conditions obviously vary in different manufacturing units. This calls for plant-by-plant training programs that are carefully 'tailor-made' to fit precise, local conditions."

The weekly NAM News pointed to the manpower of deficiency as "increasingly acute" and cited estimates of the Federal Manpower Commission that where the normal annual increase of payrolls was 500,000, the rise in industrial employment from December, 1941, through July, 1942 was 1,800,000. "Yet," said the NAM News, "estimates of the Manpower Commission call for the addition of some 5,500,000 from July, 1942, to the end of 1943. Even with intensive training programs for women and youth, it is obvious that the labor market will become increasingly tight." The advices quoted add:

"From December, 1941, through July, 1942, the increase of 5,600,000 employed in war industries and the addition of nearly 2,000,000 men to the armed forces has caused marked shifts in labor distribution. This is shown by a decline of 1,000,000 in the unemployed and a decline of 8,600,000 in civilian industry employment. The rise in agricultural employment for this six months period is attributable to the seasonal character of farming operations.

"The Manpower Commission's estimated requirement for December, 1943, when we will need 20,000,000 men in war industries to supply an army of 9,000,000 men will necessitate further drains mainly from civilian industries and to some extent from agriculture. If the army should be increased beyond 9,000,000 men even more serious dislocations in the distribution of the labor force must inevitably occur."

Government Begins Buying Of Extra Tires—OPA Outlines 5-Point Tires-For-All Plan

The Office of Price Administration put into effect on Oct. 15 its tire purchasing plan under which automobile owners who have more than five tires per car will sell them to the Government in order to obtain gasoline ration books under the nation-wide mileage rationing program, beginning Nov. 22.

Price Administrator Leon Henderson said on Oct. 14 that the Government will pay ceiling prices for the extra tires, ranging from $1.50 to $11.15, depending upon size and condition, with deductions for repairs.

To finance the tire-buying program, the Defense Supplies Corporation has advanced $150,000,000 and has designated 160 warehouses as delivery points. The Railway Express Agency, which has 23,000 offices, will collect the tires and transport them to the warehouses.

"To sell his tires to the Government," Mr. Henderson said, "the individual only has to telephone or write the Railway Express Agency office nearest his home, and a truck will be sent to pick up the tires. The owner will be given a receipt for the tire and will receive his check, or war bonds and stamps if he desires, in payment from the Government shortly after the tire has been inspected at the warehouse for official determination of its value."

Gasoline ration books will be issued to motorists only upon certification that they have no more than five tires for each car and after they have listed all their tires by serial number. They must also agree to periodic inspection of tires. Falsification of the tire statement becomes an offense punishable by fine of up to $10,000, and a maximum prison term of 10 years.

Registration for gasoline ration books will start Nov. 9 in the 31 States where gasoline is now unrationed. In the 17 Eastern States where rationing is in effect motorists will not be called upon to register again but will have to supply the tire data.

Mr. Henderson asked that the tire sales be made as quickly as possible, well in advance of the date of registration for gasoline rationing. He explained that the program contemplates not only rationing of used tires but the fullest possible use of recapping and recapped tires to minimize drain on crude rubber supplies. The sale of used tires and tubes has been frozen by the OPA since Sept. 30 to keep the supply intact pending the completion of the new rationing program.

The OPA had announced on Oct. 10 "five steps in the Government's plan for keeping America's passenger cars rolling for essential mileage with a minimum use of rubber," as follows:

"1. Rationing of used tires and recaps and new tires now in stock to provide as far as possible the minimum essential mileage to each of the nation's passenger cars.

"2. Actual control of each car's mileage through the rationing of gasoline to prevent unnecessary driving as far as possible, and to hold the national average down to 5,000 miles per car per year.

"3. Compulsory periodic inspection of all tires to guard against abuse and prevent wear beyond the point where they can be recapped.

"4. Denial of gasoline and tire replacements to cars whose drivers persistently violate the national 35-mile-an-hour speed limit for rubber conservation.

"5. Capacity use, through car-sharing, of every car on every trip so far as possible."

"The Government's undertaking to keep tires on all passenger cars with driving reduced to essential mileage," Mr. Henderson said, "is a goal which can be reached only if driving is brought within the 5,000-mile-a-year average recommended by the Baruch report, and if there is strict adherence to the 35-mile-an-hour speed limit. Any failure to accomplish the mileage limit or speed cut will result in stricter curtailments to prevent excessive drain on the national rubber resources."

Life Ins. Presidents Cancel Convention

The Association of Life Insurance Presidents has canceled its annual convention which had been scheduled for Dec. 10 and 11 in New York City, Vincent P. Whitsitt, Manager and General Counsel of the Association announced on Oct. 14. It was made in rechave been the 36th annual convention of the Life Presidents' organization. Decision to cancel the convention was reached at a regular meeting of the Association on Oct. 14. It was made in recognition of the nation's wartime transportation needs, Mr. Whitsitt said, and is in harmony with the policy, urged by Joseph B. Eastman, Director of the Office of Defense Transportation, of discouraging gatherings which add to the travel burden.

The Association's annual conventions have brought together around 600 members and guests, including life insurance executives and supervisory officials from all parts of the United States and from Canada. The Association has 64 member companies domiciled in the two countries. Leaders in such fields as government, industry and education, as well as life insurance, have customarily taken part in the discussions. These conventions covered two days with morning and afternoon sessions. Informal luncheon gatherings were held between the sessions. In announcing the Association's decision, Mr. Whitsitt said:

"In canceling its 36th annual convention The Association of Life Insurance Presidents is endeavoring to cooperate with the Office of Defense Transportation in the suggestions it has made for relieving the wartime strain on the nation's transportation facilities. This action reflects the sincere desire of our membership to take whatever steps it can to aid in the war effort."

Agricultural Department General Crop Report As Of October 1

The Crop Reporting Board of the United States Department of Agriculture made public on Oct. 9 its forecasts and estimates of the grain crop of the United States as of Oct. 1, based on reports and data furnished by crop correspondents, field statisticians and cooperating State Boards (or Departments) of Agriculture. We give below the report in part:

The outstandingly heavy crop yields that have been in prospect for several months are now in sight but not yet "in the bag." Record crops are indicated for corn, barley, all grain, all hay, beans and peas, oilseeds, sugar crops, commercial vegetables for market, vegetables for canning and processing, and probably fruits. Average to ample production of most other crops is in evidence. As the harvest progresses under difficulties, however, farmers are showing less assurance that the tremendous job of harvesting can be completed in season. A wet fall or an early winter would probably catch a big volume of crops still in the fields, but there is no longer any doubt that an unprecedented volume of crops has been grown.

The estimate for corn has been raised 4% to 3,132,000,000 bushels, which surpasses the former all-time high crop of 1920. In that year corn was harvested from 101 million acres in comparison with this year's 89 million. The yield of corn per acre is expected to be 35 bushels per acre, compared with the previous high record of 31.7 bushels set in 1906. Illinois, Indiana, Ohio and Iowa all show record corn yields of 53 to 59 bushels per acre.

Wheat is nearly all harvested and production appears to be about 984,000,000 bushels, a quantity that has been exceeded only in 1915. The yield of wheat is estimated at 19.5 bushels per acre, although last year's crop was only the 5th to exceed 16 bushels and the first to reach 16.9. Hay, beans, peas and potatoes and cotton all show exceptionally high yields per acre, and a wide range of crops including oats, barley and sugarcane show yields close to the top figures during the last 60 years.

When all crops are added together, the record is impressive. Crop yields per acre will be about 36% above the 1923-32 or pre-drought average. In comparison, yields in the other outstandingly favorable seasons—1937, 1940 and 1941—ranged from 17.7 to 20.7% above the pre-drought level. Aggregate crop production this season does not appear correspondingly high because of the smaller acreage planted to cotton and some other crops, but production is expected to exceed the pre-drought level by 28% as compared with previous peaks of 12.6 and 11.0% in 1937 and 1941. Further evidence of the favorable nature of the season exists in the fact that reports on the condition of the various crops on Oct. 1 or at harvest time averaged 19% higher than on the same dates in the pre-drought period.

Pastures also show the effects of the evenly distributed rainfall. On Oct. 1 pastures were the best for the date since 1915. For the season from May 1 to Oct. 1 as a whole, pasture reports were slightly higher than in 1927, substantially higher than in other years since 1920, 14% above the 1923-32 average, and 29% above the low average of the 1930-39 decade. Reports from western ranges show conditions very favorable east of the Rockies. West of the Rockies rainfall has been inadequate and ranges are only fair. In the Great Plains States, winter wheat has been planted under very favorable moisture conditions which give promise of good wheat pastures this fall, as well as a good start for the new crop.

Comparisons with the last dozen years make 1942 appear as an exceptionally favorable season. In comparison with the 1900-1929 period, the weather this season appears less exceptional, but there is evidence of a material improvement in the yields of many crops as a result of better methods of production.

For the country as a whole, maturity and harvest of such late fruit crops as apples, grapes, prunes, and fall and winter pears continued under favorable weather conditions, although growers in most areas are complaining of the difficulties experienced in obtaining harvest labor. But if gathering of the deciduous fruits is concluded without undue losses from labor shortage, and present prospects for a bumper citrus crop materialize (some of the citrus fruit now on the trees will not be picked for nearly a year), the 1942-43 fruit supply will exceed the record 1941-42 output. Present indications are that the total citrus crop will be sufficient to supply more than a box per person for the entire population of the country. For other fruits, estimates show that the commercial apple crop probably will be 5% larger than last season, pears 3% more, fresh plums and prunes 10% more. The apricot crop turned out 9% larger than last season, and the cherry crop showed an increase of 23%. Peach production, although large, was 12% smaller than last year's bumper crop, and grape production probably will be about 7% under the 1941 figure. Dried prune production is expected to show little change from last season's output.

Production of principal truck crops for market is indicated to total 7,265,500 tons—the largest production on record. Since there was very little increase in acreage, most of the increase in production is due to higher yields. Frosts during September terminated the growth of most tender vegetables in the Northern and Eastern States, but for hardier crops in these areas, growing conditions were mostly favorable during September. Vegetable crops for fall and winter consumption in the southern and far-western states have made good progress in general thus far.

Prospective production of commercial truck crops for harvest during the next few weeks is 9% above that of the corresponding period last year and 24% above the 10-year average for this period. Supplies of beets, cabbage, carrots, lettuce, onions, cauliflower, and spinach especially are expected to be abundant compared with recent years. Supplies of late peas are expected to be very short.

On Oct, 1 aggregate tonnage of 8 important truck crops for processing — beets, lima beans, snap beans, kraut cabbage, sweet corn, green peas, tomatoes, and pimientos — is indicated to be slightly above the record high 1941 tonnage of these crops and nearly 90% in excess of the 10-year (1931-40) average. Kraut cabbage, and beets for canning are the only two crops with an indicated production lower than in 1941. The harvesting season for tomatoes was practically ended before Oct. 1 by quite general frosts in most of the important late producing states from the Rocky Mountains eastward. Production prospects for tomatoes were reduced about 5% from mid-September indications. It now appears that 3,041,700 tons may be utilized for canning and the manufacture of tomato products, compared with 2,802,500 tons estimated for 1941. The abundance of moisture this year in the North Central and Corn Belt States was unfavorable for the various clover seeds but gave good yields of grass seeds. With light crops supplemented by rather large carryovers the total supply of red, alsike, and sweet clover seeds appears but about 16% smaller than a year ago but probably sufficient for current needs. Total supplies of the principal grass seeds (timothy, redtop, bluegrass, orchard grass, and meadow fescue) are about 10% larger than a year ago. The production of winter cover crop seeds (needed for planting in the South) is over twice the previous record and over 3 times the 5-year average.

Total milk production through September continued above last year because of the larger numbers of milk cows on farms. Production per milk cow, however, dropped sharply during September, and on Oct. 1 was below that on the corresponding date a year earlier for the first time in 15 months. Some evidence is at hand that in certain central and western States, the pressure of harvest work is restricting the number of cows that can be milked.

Egg production continues higher than in other years. With about 11% more hens in laying flocks, September egg production was about 11% higher than in that month last year.

Wheat

The production of all wheat is indicated to be 984,046,000 bushels, an increase of 2 million bushels from Sept. 1. This production compares with 945,937,000 bushels in 1941, and the 10-year (1930-39) average of 747,507,000 bushels. This year's crop is the second largest in history.

Spring wheat production, indicated by yields at harvest to be 286,338,000 bushels, is about 4% above last year's crop of 274,344,000 bushels. The increase of 2 million bushels from last month resulted from increases in both Durum and other spring wheat. The indicated production of Durum wheat now is 43,546,000 bushels, and of other spring wheat 242,792,000 bushels, each 4% above last year.

Although the yields reported at this stage of harvesting have raised the volume of production per acre still higher than last month in at least half of the spring wheat states, some of those states (the Northern Plains section) still have some unthreshed wheat in the fields. The appraisal of yield at harvest, therefore, is more difficult than usual at this date. In addition, some lowering of quality is evident from the observed weather damage to wheat already combined or threshed, and from the amount of sprouting and spoilage in shocks. The crop in the Pacific Northwest is being harvested under favorable weather conditions, and the big problem there is one of storage.

The yield of all spring wheat of 20.2 bushels per acre establishes a high record for the United States, and is above last year's yield of 16.9 bushels and the 10-year average of 10.5 bushels by a wide margin. It is a bumper yield in many of the spring wheat states, but there is no single state with a record high yield. The record for the United States is the result of a combination of near record yield for most of the important states.

Farm Stocks

Stocks of wheat on farms as of Oct 1 are estimated at 644,503,000 bushels—by far the largest stocks of wheat ever held on farms on this date. Last year on Oct. 1, 488,311,000 bushels were held, and the 10-year average stocks are 337,511,000 bushels. The wheat farm stocks situation is characterized by the accumulation of huge reserves in the heavy producing surplus states, but declines from this date last year in states of smaller production, particularly the deficit states where demands for livestock feeding have dipped into supplies. The estimate of stocks of wheat on farms includes wheat under loan on farms, but does not include wheat owned by the Commodity Credit Corporation or under loan and stored elsewhere.

Corn

A record-breaking corn crop of 3,132,002,000 bushels is indicated as of Oct. 1. It is 61 million bushels above the previous record crop of 3,070,604,000 bushels produced in 1920, 17% larger than the 2,672,541,000 bushels produced in 1941, and 36% above the 10-year (1930-39) average of 2,307,452,000 bushels. The 1942 bumper crop is the result of the highest yield per acre on record—35.0 bushels. These estimates relate to production of corn for all purposes—grain, silage, forage, hogging, and grazing.

Following favorable and rapid development during August, corn continued to make excellent progress during most of the first 3 weeks of September. Above-average temperatures prevailing over most of the country during this period, together with much-needed sunshine, allowed the crop to make splendid progress toward maturity. Such rapid development enabled most of the crop, even a large part of the late planted acreage, to escape injury from the freezing temperatures which occurred over most of the corn producing area of the country during the latter part of the month.

In the northern part of the Corn Belt, particularly of the Dakotas and Minnesota, there will be considerable soft corn. Quality of corn for fodder and silage in Wisconsin and Michigan was reduced. Some chaffy corn is expected in most of the other states in the Corn Belt, but for the most part this represents only a small part of the entire production. In the heart of the Corn Belt which has now adopted hybrid seed on nearly 100% of the corn acreage, and in Nebraska and Kansas, the quality of mature corn is excellent.

In spite of damage from blight in Ohio, corn-borer in parts of the eastern Corn Belt, light drought in central Nebraska, and frost over the whole area. The Corn Belt is expected to produce the largest crop on record. Record yields are in prospect for Iowa, Illinois, Indiana and Ohio. In Iowa the yield is expected to be 59 bushels per acre—the highest average yield ever produced in any state.

Outside of the Corn Belt, production prospects were generally better than a month earlier. There was some frost damage to late corn and corn for silage and fodder in the North Atlantic States, and blight damage is prevalent in parts of Pennsylvania, Maryland and Virginia. Improvement of the crop in the South Atlantic and South Central States during September was more than enough to offset light damage from frost to late corn in some of these states. The crop is very promising in the Western States despite frost damage to late corn in some parts of the mountain area. Irrigated corn in Colorado is expected to make excellent yields. Yield prospects improved in the Pacific Northwest.

Farm Stocks

Stocks of old corn on farms Oct. 1 were 423,597,000 bushels, the smallest since 1938, but still about 188 million bushels above the 10-year (1930-39) average of 235,134,000 bushels. Farm stocks of corn on Oct. 1 were 17.4% of the 1941 production for grain. A record disappearance of 336,455,000 bushels from farms occurred from July 1 to Oct. 1. In the corresponding quarter a year ago, disappearance amounted to 279,842,000 bushels. The 10-year average disappearance for the July-October quarter is 222,696,000 bushels.

Oats

The Oct. 1 preliminary estimate of 1942 oat production is 1,369,540,000 bushels for the United States, 16 million larger than was indicated Sept. 1. Production in 1941 was 1,176,107,000 bushels, and the average (1930-39) is 1,007,141,000 bushels.

The heaviest producing states of the North Central group have yields above the high yields of 1941, and nearly all states show yields above the 1930-39 average. The estimated yield of 36.0 bushels for the United States which is the third highest on record, compared with 31.0 bushels last year and the 1930-39 average of 27.3 bushels.

Farm Stocks

Stocks of oats on farms Oct. 1, 1942 are estimated at 1,141,411,000 bushels, equal to 83.3% of the 1942 crop. This supply is 20% larger than the 952,329,000 bushels on hand last year, and the largest Oct 1 quantity since estimates began in 1926. Indicated disappearance of oats from farms in the July-September period of 1942 amounted to 419,817,000 bushels, while in 1941 it was 443,826,000 bushels. The average disappearance for the period is 352,420,000 bushels. The July 1 supply of oats included the current year's production and the carryover of old oats as of July 1.

Barley

The Oct. 1 preliminary estimate of barley production is 426,188,000 bushels, the largest on record, and 7 million bushels above the Sept. 1 estimate. Production in 1941 was 358,709,000 bushels, and the 10-year (1930-39) average production was 224,970,000 bushels.

The 1942 yield is 25.4 bushels per acre, compared with 25.5 bushels in 1941 and the 10-year average of 20.6 bushels. Yields above the 10-year average are shown for nearly all states. North Dakota exceeds the average by 14.6 bushels, Montana by 12.7, South Dakota by 11.7, and Minnesota by 7.0. The season has been very favorable for barley production although considerable grain was damaged by wet weather at harvest, particularly in the northern Plains States.

Buckwheat

Production of 5,620,000 bushels of buckwheat is about 1% more than indicated on Sept. 1. The crop is 9% more than the 6,070,000 bushels produced in 1941, but about 10% less than the 1930-39 average of 7,315,00 bushels. The 1942 acreage for harvest is above that of 1941 but is 21% below the 1930-39 average.

The crop maintained earlier prospects in New York and Pennsylvania, the major producing states, despite some damage by early frost. Improvement in prospects in Michigan and Wisconsin more than offset declines elsewhere. Harvest has been delayed by wet fields. A yield of 18.3 bushels per acre is indicated for the United States, compared with 18.1 a month earlier, 17.9 in 1941, and the 1930-39 average of 16.0 bushels.

Flaxseed

Prospects for the largest flaxseed crop on record were improved slightly during September with production now estimated at 42,682,000 bushels. This increase of more than 35% over the 1941 production of 31,485,000 bushels is due chiefly to an increase of 39% in acreage for harvest this year. Compared with the 1930-39 averages, production is nearly four times as great and harvested acreage about 2½ times as great.

A slight increase in the final yield in South Dakota over prospects on Sept. 1 more than offset a slight decline in Wisconsin, with all other producing states remaining unchanged from Sept. 1. For the United States, the average yield per acre is estimated at 9.6 bushels, compared with 9.8 bushels in 1941 and the 1930-39 average of 6.4 bushels.

Rice

A record crop is still in prospect, despite a further decline in probable production during September. Production of 71,598,000 bushels is about 1% lower than on Sept. 1, but 33 percent more than the previous record crop of 54,028,000 bushels in 1941. The 1930-39 average was 45,673,000 bushels. Part of the increase in production, compared with 1941, is due to a 19% increase in acreage for harvest.

Following the hurricane damage in late August to parts of the Texas rice area, rains continued almost daily in the first half of September and delayed harvesting and salvage operations. As a result, yield prospects declined to 47 bushels per acre—one bushel lower than on Sept. 1. Louisiana prospects remained unchanged. In Arkansas early frosts damaged some of the late acreage, which resulted in lowering the prospective yield for the state by one bushel to 53 bushels per acre. By Oct. 1, harvesting was general throughout the southern area, since weather conditions had become favorable after mid-September. In California no change in production was indicated by conditions on Oct. 1, with harvesting beginning under favorable weather conditions. Granted continued favorable weather, harvesting is expected to become general by mid-October—about 3 weeks later than usual.

Hops

The outturn of hops, as indicated by reported yields per acre, is 9% smaller than the estimate of Sept. 1. Production in the three Pacific Coast States is now placed at 35,042,000 pounds, compared with 40,380,000 pounds in 1941 and the 10-year (1930-39) average of 34,784,000 pounds. Significant reductions from the Sept. 1 estimate occurred in each of the three states. The decrease from earlier expectations is due to various factors, including the drying effect on the Weshington crop by the extremely hot weather in August, mildew infestation in Oregon, and the very heavy "dry-away" in California. The dry-away has been heavier than usual in each of the three states.

Potatoes

Production of potatoes in 1942 is now indicated at 376,309,000 bushels. This is 18,526,000 bushels more than the 357,783,000 bushels produced in 1941 and is also slightly above the 10-year (1930-39) average of 370,045,000 bushels. Production prospects declined about 2,000,000 bushels during September, with yields in Michigan, Wisconsin, Minnesota and Idaho considerably below earlier expectations. These decreases were partially offset by increases in Nebraska, Colorado, Maine, North Dakota, and Washington. Generally favorable conditions for maturing and harvesting potatoes were reported over most of the country. The indicated yield of 134.5 bushels per acre, though slightly lower than the Sept. 1 forecast. is the highest on record.

In Maine recent weather conditions have been unusually favorable for harvesting potatoes. Yields are fairly good on the whole in this state. The crop is almost entirely free from late blight rot, although considerable ring rot is showing up in some fields. Long Island yields of early and intermediate varieties appear to be averaging fully as high as in the bumper crop year of 1940. Blight killed the vines of the later maturing Green Mountains in many fields before the potatoes were properly sized and caused some reduction in yields from September expectations for this variety. In up-state New York, the crops for home use are yielding very poorly because of blight damage while well-cared for. well-sprayed commercial fields are making good yields. In Michigan, although sprayed acreages are yielding well, a large proportion of the unsprayed crop has been seriously damaged by late blight. Early frosts have also cut yields. Wisconsin and Minnesota also report serious blight damage to unsprayed fields. Some field freeze damage is reported from Nebraska, but otherwise this has been an unusually favorable year for potatoes there and production is larger than previously indicated.

The Idaho growing season was short. Potatoes in that state have failed to make generally large sizes, and yields are turning out lower than was anticipated last month. Idaho potatoes are of good type and smooth and uniform in size. In Colorado the San Luis Valley crop is turning out exceptionally well. The scattered crops of western Colorado are also expected to yield well. In northern Colorado the early crop was excellent. but prospects for the late crop have been reduced somewhat from high early expectations by blight and ring rot.

FDR Asks Creation Of Rehabilitation Board

President Roosevelt, in a message to Congress on Oct. 9, asked for the establishment of a single Federal rehabilitation service to care for all persons "whose disability grows out of the conduct of the war." The President explained that present provisions in this field are inadequate "to secure the most effective utilization of the capabilities of the physically handicapped," both veterans and civilians. He warned that the "increasing participation of this nation in the war is resulting in an increase of military casualties and will result in a greater industry."

The text of the President's message follows:

"To the Congress of the United States:

"We are going to win this war, but the winning will require the best efforts of every individual. Among those who are already making full contribution are those physically handicapped people who have been rehabilitated.

"Upward of a million persons are now waiting for services of the type that only a full-developed rehabilitated program can give them. We know that there is nothing wrong with the spirit of these people, but without special assistance they may become a social as well as an economic liability.

"With an adequate program in their behalf they will become a national asset, ready to serve in war industries, agricultural and in other essential occupations.

"In addition, the increasing participation of this nation in the war is resulting in an increase of military casualties and will result in a greater industry. Because of the tremendous strides in medical science during the last two decades a much larger proportion of these casualties will be non-fatal and will require rehabilitation service.

"Our present provisions in this field are inadequate to meet this task. They need to be strengthened and standardized through the creation under the Federal security administration of a rehabilitation service.

"Provisions should be made not only for persons now handicapped. but also for persons disabled while members of the armed forces and for the increasing number of accident cases that are accompanying the rapid expansion of our war industries.

"In order to secure the most effective utilization of the capabilities of the physically handicapped, it is important that a single rehabilitation service be established for both veterans and civilians.

"Veterans, after receiving the benefits and services provided by the Veterans Administration, would be certified to the rehabilitation service for vocational rehabilitation whenever this is indicated.

"While the present plan for Federal-State cooperation should be preserved in this field of training, where it has chiefly operated, the rehabilitation service should look after the other aspects of this problem and discharge what is plainly a Federal responsibility—the provision of service to all persons whose disability grows out of conduct of the war.

"Such legislation should permit the establishment of a program adequate to our present needs, and should at the same time provide the experience and personnel which will be able to meet such additional burdens as the war may bring.

"FRANKLIN D. ROOSEVELT."

St. Lawrence Project Off For Duration

President Roosevelt told his press conference on Oct. 9 that because of the present shortages of steel and manpower development of the St. Lawrence seaway and waterway project will probably have to be postponed for the duration of the war. He added, however, his firm conviction that the project will be completed after the war.

The following concerning his remarks is from Washington advices to the New York "Times" of Oct. 9:

"For the last 20 or 40 years, the President said, it has been generally recognized, regardless of partisan considerations, that there lies between New York State and Canada a great river connecting the oceans with the largest inland waterway system in the world, but, because of physical difficulties, including a series of rapids, it cannot be used to transport commerce, though water is the cheapest form of transportation.

"Aside from politics, the President said that he felt sure that if we win the war the time will come when there will be access from the Atlantic to the Great Lakes.

"Besides the transportation advantage, he went on, there is also a great need for increase for power supplies. He pointed out that scientific developments now make it possible to transmit power for long distances. The Niagara development now in operation could be expanded to produce increased quantities of power at a 'reasonable cost,' he said.

"Denying that there was any politics in the St. Lawrence project from either a long or short-range view, the Chief Executive said that the immediate problem of building the project called for a military decision. He indicated no immediate hope of action in constructing the project, explaining that he yet had to check up with some of his aides. He said that he doubted whether, under present production circumstances, including a shortage of steel and manpower, the project could be advanced at present. He emphasized, however, that he had no doubt that the country would construct it some time."

Davis Heads WPB Program Coordination Unit

Donald D. Davis, President of General Mills Co., Minneapolis, has been appointed director of the newly created Program Coordination Division of the War Production Board. Mr. Davis is the first of several top men in the production field who will be recruited by WPB to strengthen the staff of the office of the Vice Chairman on Program Determination, headed by Ferdinand Eberstadt.

Duties of the new division include the development and recommendation to the Vice Chairman on Program Determination of an over-all national production program, intergrated and coordinated with over-all strategic requirements, to the end that the most effective use is made of national resources. Mr. Davis will be responsible for all program recommendations by the Division.

Record Employment Of 57,700,000 Cuts Deeply Into Labor Reserve, Says Conference Board

Employment reached a new record of 57,700,000 in August, according to the National Industrial Conference Board, New York. This, it is noted, is the fourth successive month that industry and the armed forces continued to cut deeply into the nation's labor reserves as the drive toward a total war economy gained further impetus. The figure represents a gain of more than 500,000 over the preceding month and of about 4,000,000 over the preceding year, says the Board, which further reports:

"At the close of August there were already 2,400,000 more men and women at work or in uniform than in the normal labor force under peacetime conditions. Official estimates indicate that 62,500,000 people will be employed in industry and the armed forces by December, 1943, and the possibility exists, that a labor force of 65,000,000 or more may be needed by that time.

"Manufacturing industries alone have accounted for almost two-fifths of the 10,000,000 increase in employment since the start of the defense program in the summer of 1940. More new workers entered factories during this period than entered the military services.

"Factory employment rose very sharply in the three months ending with August during which almost three times as many workers were taken on as in the first five months of this year. The addition of 900,000 workers in these three months, with well over a third hired in August alone, brought total factory employment above 15,000,000 for the first time. Approximately 35 of every 100 civilian workers in non-agricultural enterprises in August were on factory payrolls. The corresponding peacetime percentage is only slightly above 30.

"Transportation and manufacturing were the only major industrial groups in which more people were at work in August than in July. Gains of 19,000 and 323,000 respectively in these groups were partly offset by declines of 47,000 in construction and 6,000 in mining. Employment in public utilities remained unchanged.

"Despite unprecedented expansion of factory employment, many manufacturing industries, particularly producers of consumer goods, are currently employing fewer workers than a year ago. These declines are most pronounced in the hosiery, paper box and furniture industries. Other industries adversely affected include stone, clay and glass, wearing apparel, automobiles, leather, knitted cloth, silk and rayon goods, and boots and shoes.

"Employment in the trade and distribution group fell off by 41,000, primarily in retail trade. The total of 7,400,000 for this group was the lowest August level of employment since 1939, and was almost 500,000 lower than a year ago."

With regard to the agricultural situation, the Board finds, "Farmers faced their fall harvest with the lowest August total of farm family workers since World War I. Total agricultural employment, including hired workers, has moved steadily downward by about 300,000 monthly since June. Slight gains were made in the procurement of hired farm workers in August and the 3,163,000 so engaged compared favorably with the average for past periods of harvesting. The Board adds:

"Farm wages without board averaged $2.45 daily, as of July 1, 1942, as against $1.98 a year earlier. They ranged from $1.15 in South Carolina, $1.25 in Georgia, and $1.30 in Mississippi to $4.25 in Oregon, $4.50 in California, and $4.85 in Washington. On the Pacific Coast such wages advanced by more than 35% over the preceding year, while in the East the average increase was less than 20%.

"Emergency employment by WPA, CCC, and NYA was again cut by over 100,000 in August and dropped to 547,000 or approximately a fourth of the number on relief work at the start of the defense program.

"The WMC has directed WPA officials to speed up the training and placement of all able-bodied workers remaining on their rolls. Fully one third of such employment, however, has been certified as important to the war effort, and about 300,000 certified workers are reported to be awaiting assignment to WPA projects."

Census Of American Property Owned Abroad

Secretary of the Treasury Morgenthau disclosed on Oct. 8 that the Treasury Department is considering taking a census of American-owned property in foreign countries. The department's announcement states:

"This census would require a report by persons and organizations subject to the jurisdiction of the United States of property outside of the United States which they own or in which they have an interest. It would also include questions concerning foreign property disposed of or lost during the past several years.

"The Secretary said that American property abroad, and particularly that in the bellingerent countries, was of concern to the Government and that such a census would be of great usefulness in the war effort and in the post-war period."

Chicago Home Loans Down

The Federal Home Loan Bank of Chicago announced on Oct. 13 that demand for advances from the bank showed in September the first drastic effects of the war economy, when new loans to member savings, building and loan associations in Illinois and Wisconsin declined to $235,610, the smallest volume of new advances in any September of the bank's ten years. A peak post-depression volume of new funds from investors pouring into the local institutions which are the customary users of the bank's advances, coupled with a fall-off in loan demand due to building restrictions accounts for the slack demand, according to A. R. Gardner, president of the Chicago Bank.

The bank's announcement added:

"This condition is also speeding up the repayment of Home Loan Bank advances by member associations ahead of schedule, he said. Last month $2,900,000 poured back into the bank, considerable of it contractual repayments on long-term loans which are amortized, but much of it also the result of lack of need for additional funds for home financing in the communities.

"Effects of the first war year in the United States upon the financial statement of the regional home loan bank are seen in comparisons between the close of the third quarter this year and last. Total assets and loans outstanding have decreased and investments in Government obligations have soared.

"Assets as of Sept. 30, 1942 were $43,206,130, a decrease of 8%; loans outstanding were $22,466,108, a decrease of 27%; investment in government obligations were $8,392,500, an increase of 57%."

Roy C. Muir Suggests Federal Agency To Promote Post-War Technological Advances

Creation of a Federal "Department of Planning" to enable America to make the best use of technological advances in the post-war period, was suggested by Roy C. Muir, General Electric Vice-President in charge of engineering, in a recent address at Manhattan College. As a means of obtaining the services of the ablest men, he proposed that members of the suggested department be given the status of of Justices of the Supreme Court. Mr. Muir spoke at a convocation marking the 50th anniversary of the college's School of Engineering. Rev. Francis J. Spellman, Archbishop of New York, presided. "A plan within industry," and some form of international co-operation were urged by Mr. Muir as part of the co-ordinated planning required to make technological benefits available to all and to preserve peace after victory. Federal supervisory agencies are necessary," he said, "but the underlying philosophy of these agencies must be to remove, rather than to place, obstacles in the path of technological progress." He further said in part:

"If we are to obtain and maintain a long range plan to which we may work, we must have some of the ablest men in the country devoting their lives to this task. Perhaps we might have a fourth branch of government, a department of planning, or, if you prefer, of social and economic development.

"Its members would have the standing of Justices of the Supreme Court, and its functions would be to advise the President, Congress, and the various departments and agencies of the Government. With able men devoting their lives to the planning of the social and economic welfare of the nation, we might face the future with better hope and confidence.

"And because technological developments, particularly in the radio and airplane, have made the world a smaller place in which to live and have brought its people closer together, we must also have some international plan of cooperation. If we are to have continuing peace throughout the world, we must have continued economic and social progress in all nations, equally, and in no nation at the expense of others.

"Finally, there must be some plan within industry for winning the peace, when the war is won. We shall have lost, temporarily at the least, many of the things we are now fighting for if we cannot keep people at work in the post-war period. The details of such plans would fill many pages, and would differ for each industry, but the principle can be summed up in one sentence: 'We all want more, we all want to work, and if we all can work, we all can have more.'

"Millions of young men, skilled, able, will be returning from the war, wanting work. Millions of people will want things they have been unable to buy for the duration, and they will have the money with which to buy them. There will be many new and improved products, and new and improved methods of producing them. And research will give us a continuing supply of new things with which to create new industries."

Mr. Muir traced the co-operation between government and industry during America's rise to world leadership in technology by quoting utterances of Presidents Monroe, John Quincy Adams, Harrison, Cleveland and Theodore Roosevelt; he continued:

"Our early Presidents were right in encouraging the nation's technological development; President Cleveland was right in championing individual freedom and independence, the opportunity for the full development of the individual. President Theodore Roosevelt was right in cautioning against unwise laws which might upset the delicate balance of economic law with man-made legislation. President Franklin D. Roosevelt is right in his recognition that technology and modern industry can give the people of the world a better life.

"But there still remain many social and economic aspects of our new technology which we do not yet understand. If we better understood some of the problems of modern industry there are, no doubt, many instances in which wise legislation could contribute to their solution. Unfortunately, lacking this understanding, we have often attempted to solve these problems through legislation alone. The result has naturally often been conflict and confusion.

"These conflicts must be removed, and the solution to these problems planned. And the plan must be flexible, to take into account the fact that the technological achievements of today are but a shadow of those which are to come. Already, we have pushed back the boundaries of our science and engineering under the stimulation of war, years beyond what we could have hoped to realize.

"Looking into the future, we must plan for these readjustments, which, if we plan ahead, can be made without violent economic maladjustments. We must expect many changes in this world of the future; in distribution of population; in types of employment and number of people employed in various activities; in living habits. That is why we must have a continuing plan adapted to each condition which we may reasonably expect to arise."

Mr. Muir said a school of engineering should not only keep abreast of technological advances in its teaching but should "also give a broad training in the science of life, through the humanities, and religion."

FDR Opposes Freezing Social Security Tax

President Roosevelt's letter, dated Oct. 3, to Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, opposing the amendment in the tax bill freezing Social Security taxes at their present 1% levels during 1943 is given below.

Despite the President's appeal to let the taxes rise automatically on Jan. 1, 1943, to 2% for employers and employees, as provided in existing law, the Senate on Oct. 9, by 50 to 35, voted to freeze the taxes at 1%; this is noted elsewhere in these columns today.

The text of the President's letter to Senator George, which was read in the Senate Oct. 9, follows:

"My dear Senator:

"I note that the Senate Finance Committee has tentatively included in the pending tax bill an amendment by Senator Vandenberg freezing the present rates of contributions for old-age and survivors' insurance, instead of permitting them to increase automatically on Jan. 1, 1943, as provided by law.

"This amendment is causing considerable concern to many persons insured under the old-age and survivors' insurance system. The financial obligations which will have to be met in paying benefits amply justify the increase in rates. A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized.

"In 1939, in a period of underemployment, we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on Jan. 1, 1943. There is certainly no sound reason for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system. In fact, the volume of purchasing power is so great that it threatens the stability of the cost of living.

"The increase in rates at the present time is not only in accord with the necessities of the Social Security System itself, but at the same time would contribute to the non-inflationary financing of the rapidly mounting war expenditures. The accumulation of additional contributions would be invested in United States Government securities and would thereby assist in financing the war.

"This is the time to strengthen, not to weaken, the Social Security System. It is time now to prepare for the security of workers in post-war years. As soon as the Congress has disposed of the pending tax bill I am planning to submit a comprehensive program for expanding and extending the whole Social Security System along the lines laid down in my budget message last January. This program would involve substantial further increases in rates of contribution.

"This is one case in which social and fiscal objectives, war and post-war aims are in full accord. Expanded Social Security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war.

"In the light of these considerations, I suggest the desirability of permitting the increase in the rates of contribution of old-age and survivors' insurance to go into effect on Jan. 1, 1943, as provided in existing law.

"Sincerely yours,

"FRANKLIN D. ROOSEVELT."

President Sees Need For Women In War Work

In a message to the National Federation of Business and Professional Women's Clubs, President Roosevelt recently stated that millions of women will have to take part in the production program as the war effort enlarges, replacing men called into the armed forces. The message, addressed to Dr. Minnie L. Maffett, President of the Federation, was made public on Oct. 4; sent in connection with National Business Women's Week, Oct. 11-17, it read as follows, according to the New York "Times":

"There need no longer be any debate as to the place of women in the business life of this nation. The enlarging war effort calls for the services of every qualified and able-bodied person, man or woman.

"Millions of women will have to take part in the production program, replacing men whose services will be needed in the armed forces or elsewhere than in their accustomed jobs.

"It is my thought that National Business Women's Week this year should be dedicated to mobilization of women in war work in the broadest sense.

"It is my hope that the National Federation of Business and Professional Women's Clubs will adopt this suggestion."

Ration-Bank Plan To Start In Albany Area Oct. 26 —ABA Names Ration Coupon Committee

The ration-banking plan to facilitate and safeguard the handling of ration coupons in trade channels after use by the consumer, will start on Oct. 26, when 33 banks in the Albany-Schenectady-Troy trial area of New York State will begin the opening of "ration-banking" accounts.

Action by the American Bankers Association in appointing a nationally representative committee of bankers to work with the Office of Price Administration in devising a workable plan for clearing the coupons of the nation's rationing system through the banks was anounced on Oct. 13 by W. L. Hemingway, President of the A. B. A., who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis, Mo.

The announcement of the Association said:

"The committee was appointed at the invitation of Price Administrator Henderson to assist the OPA in working out a plan which will achieve the objectives of the Government and at the same time be practical from the bank operation point of view and give full consideration to factors such as the growing shortage of banking manpower and the inability of banks to secure mechanical equipment for the handling of extra work.

"Particularly will the committee be asked to advise with the OPA during the course of a test plan devised by the OPA, which will be tried out beginning late in October in several upstate New York cities, comprising the Albany, Troy, Schenectady area, where the banks have provided their facilities for the purpose of the experiment. It is expected that this experiment will provide the basis for much of the ultimate procedure to be employed in the nation-wide ration coupon clearing system.

"Under the program the Government contemplates the nation-wide use of the banks in the clearing of coupons to be used in the rationing of gasoline, sugar, and other products as the best existing machinery for that purpose. The program also recognizes the volume of additional work to be thus placed upon the banks and contemplates the reimbursement of the banks for the cost of their services by the OPA."

Members of the committee appointed by Mr. Hemingway are the following:

Rowland R. Hughes, Comptroller of The National City Bank of New York, Chairman;

William Duncan, Jr., Secretary of the Minnesota Bankers Association, Minneapolis, Minn.;

T. Allen Glenn Jr., President of the Peoples National Bank, Norristown, Pa. ;

A. J. Gock, Vice-Chairman of the Board, Bank of America N. T. & S. A., Los Angeles, Cal.;

Wilbur F. Lawson, Vice-President, First National Bank, Boston, Mass.;

Frank L. King, Comptroller, Continental Illinois National Bank & Trust Company, Chicago, Ill.;

William A. McDonnell, Executive Vice-President, Commercial National Bank, Little Rock, Ark., and Chairman of the Bank Management Commission of the ABA.

Headquarters of the American Bankers Association committee will be at the Association office 22 East 40 Street, New York City.

The proposed testing of the plan in the Albany area was referred to in our issue of Oct. 1, page 1172 at which time we gave the announcement of Price Administrator Leon Henderson. Pointing out that the new system is designed to relieve local ration boards from the burden of handling millions of ration coupons, stamps and certificates. Associated Press accounts from Washington on Oct. 14 said:

"Instead ration credits will be transferred through banks much as money is exchanged through checking accounts. After the plan is perfected in the trial area OPA plans to institute it on a nation-wide scale.

"In preparation a staff from the Washington headquarters of OPA is establishing a field headquarters in Albany (76 State Street) which will be opened Thursday to answer the questions of businessmen and bankers.

"'Overdrafts' will not be permitted, OPA warned. It will be a 'serious violation,' OPA said, for buyers to be given vouchers for any quantity of gasoline or sugar for which they have not established a credit at the bank through deposits of stamps, coupons or certificates."

It was added that on and after Oct. 28 ration banking and the new "ration checks" will be used exclusively in transactions between suppliers and dealers in the 18 towns and cities of the Albany region.

Sept. Life Insurance Sales Decline

The sale of ordinary life insurance in the United States in September amounted to $432,679,000, a decline of about 26% from the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first nine months of 1942, aggregating $4,894,722,000, is about 6% below the amount sold in the same period of 1941.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	SEPTEMBER 1942		YEAR TO DATE	
	Sales Volume in $1,000	Ratios '42-'41 All Cos.	Sales Volume in $1,000	Ratios '42-'41 All Cos.
U. S. total	$432,679	74%	$4,894,722	94%
New Engl'd	33,590	74	392,428	95
M. Atlantic	101,125	68	1,291,417	93
E. N. Cent.	96,148	74	1,108,412	94
W. N. Cent	45,203	81	478,798	98
S. Atlantic	46,426	76	474,660	91
E. S. Cent	18,413	70	198,342	94
W. S. Cent.	35,445	82	355,818	93
Mountain	12,390	79	125,724	93
Pacific	43,939	80	459,123	103

Illinois-Wisconsin District Leads In War Bond Sales

War bond sales of $13,102,276 by the Illinois and Wisconsin savings, building and loan associations since the second year of the bond campaign, started May 1 through Aug. 31, is reported by the Federal Home Loan Bank of Chicago, reserve institution for these associations. A. R. Gardner, president of the Chicago Bank, said that the majority of the bonds issued by these agents are of the Series E variety, since emphasis upon the small bondbuyer has been a special feature of the war financing aid these thrift and home financing institutions have given the Treasury. The advices add:

"As of July 31, 52 of the associations had sold bonds equal to 10% or more of their own assets, and the area was thus far out ahead of any of the other eleven Federal Home Loan Bank districts in this regard. Practically one out of every four of such high-ranking savings and loan institutions in the nationwide war bond program is in the Illinois-Wisconsin district, Mr. Gardner said. Nearest competing group was in the Little Rock (Arkansas)) Bank district where thirty-two had reached 10% of assets in their dollar volume of war bonds."

Bankers' Dollar Acceptances Outstanding On September 30 Decline To $123,494,000

The volume of bankers' dollar acceptances outstanding on Sept. 30 totaled $123,494,000, a decrease of $15,810,000 from the Aug. 31 figure and a new low for the last 25 years, according to the monthly report issued Oct. 14 by the Acceptance Analysis Unit of the Federal Reserve Bank of New York. The total amount of acceptances outstanding on Sept. 30 was $53,307,000 below a year ago.

In the month-to-month comparison, only domestic warehouse credits were higher, whereas in the year-to-year analysis credits for domestic shipments and those based on goods stored in or shipped between foreign countries increased.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES

BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Sept. 30, 1942	Aug. 31, 1942	Sept. 30, 1941
1 Boston	$21,569,000	$25,160,000	$21,005,000
2 New York	74,548,000	85,152,000	110,842,000
3 Philadelphia	7,543,000	7,727,000	10,710,000
4 Cleveland	3,490,000	3,562,000	3,763,000
5 Richmond	1,014,000	1,125,000	217,000
6 Atlanta	1,191,000	1,684,000	1,208,000
7 Chicago	4,707,000	4,385,000	6,699,000
8 St. Louis	190,000	296,000	528,000
9 Minneapolis	26,000	102,000	151,000
10 Kansas City	—	—	—
11 Dallas	162,000	318,000	288,000
12 San Francisco	9,054,000	9,793,000	21,390,000
Grand Total	$123,494,000	$139,304,000	$176,801,000

Decrease for month, $15,810,000 Decrease for year, $53,307,000

ACCORDING TO NATURE OF CREDIT

	Sept.30, 1942	Aug. 31, 1942	Sept. 30, 1941
Imports	$65,757,000	$77,952,000	$105,266,000
Exports	5,755,000	8,071,000	12,919,000
Domestic shipments	12,995,000	13,249,000	9,934,000
Domestic warehouse credits	28,491,000	28,228,000	35,338,000
Dollar exchange	323,000	331,000	4,309,000
Based on goods stored in or shipped between foreign countries	10,173,000	11,473,000	9,035,000

BILLS HELD BY ACCEPTING BANKS

Own Bills_____$63,745,000 Bills of Others_____$33,339,000 Total_____$97,084,000

Decrease for month, $11,250,000

Current Market Rates on Prime Bankers Acceptances, Oct. 14, 1942

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Oct. 31, 1939:

1939—		1940—		1941—	
Oct. 31	$221,115,945	Oct. 31	$186,789,000	Oct. 31	$184,805,000
Nov. 30	222,599,000	Nov. 30	196,683,000	Nov. 29	193,590,000
Dec. 30	232,644,000	Dec. 31	208,659,000	Dec. 31	194,220,000
1940—		**1941—**		**1942—**	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190,010,000
Mar. 30	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000

National Fertilizer Association Commodity Price Average Again Recedes

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 19, declined for the second consecutive week. In the week ended Oct. 10 this index declined to 129.7 from 130.1 in the preceding week. It was 129.2 a month ago, and 115.5 a year ago, based on the 1935-1939 average as 100. Since the first of January, 1941, there has been an 8.1% increase in the index. The Association's report continued as follows:

The drop in the all commodity index last week was due principally to rather marked declines in the prices of some farm products. Cotton quotations were higher but declines in grains and livestock were more than sufficient to lower the farm product group index. In the food group advancing quotations were registered by 6 items while only 3 declined, causing another rise in the foodstuffs index. The fertilizer materials group was lower, reflecting price declines for phosphate rock and dried blood. A fractional decrease was recorded by the building materials average. The textile index advanced slightly.

During the week 23 commodities declined and 8 advanced; in the preceding week there were 11 advances and 10 declines; in the second preceding week there were 12 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Oct. 17, 1942	Preceding Week Oct. 10, 1942	Month Ago Sep. 12, 1942	Year Ago Oct. 18, 1941
25.3	Foods	132.8	132.5	131.0	113.8
	Fats and Oils	145.9	142.7	140.2	116.3
	Cottonseed Oil	156.1	156.1	153.9	133.4
23.0	Farm Products	141.2	142.6	140.1	111.9
	Cotton	179.7	179.2	178.4	150.2
	Grains	112.2	115.3	118.2	94.9
	Livestock	142.1	143.5	138.9	108.0
17.3	Fuels	119.3	119.3	118.8	112.3
10.8	Miscellaneous commodities	126.7	126.7	126.7	125.3
8.2	Textiles	147.7	147.6	147.4	137.2
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.4	151.5	151.4	130.8
1.3	Chemicals and drugs	120.7	120.7	120.7	112.3
.3	Fertilizer materials	117.3	118.0	117.9	114.6
.3	Fertilizers	115.3	115.3	115.3	107.5
.3	Farm machinery	104.1	104.1	104.1	100.2
100.0	All groups combined	129.7	130.1	129.2	115.5

*Indexes on 1926-1928 base were: Oct. 17, 1942, 101.0; Oct. 3, 101.3; Oct. 18, 1941, 90.0.

Electric Output For Week Ended Oct. 17, 1942 Shows 12.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 17, 1942, was 3,717,360,000 kwh., which compares with 3,313,596,000 kwh. in the corresponding week last year, an increase of 10.6%. The output for the week ended Oct. 10, 1942, was 10.3% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Oct. 17	Oct. 10	Oct. 3	Sept. 26
New England	5.5	1.0	1.4	6.2
Middle Atlantic	6.2	2.1	4.2	8.2
Central Industrial	8.2	6.2	6.3	9.2
West Central	10.9	10.8	10.2	9.8
Southern States	17.6	15.6	15.3	19.9
Rocky Mountain	8.9	8.4	9.0	9.9
Pacific Coast	28.1	30.8	29.1	30.0
Total United States	12.2	10.3	10.6	13.7

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730	1,592,075
July 11	3,428,918	3,178,054	+ 7.9	2,651,626	1,415,704	1,711,625
July 18	3,565,367	3,199,105	+11.4	2,681,071	1,433,993	1,727,225
July 25	3,625,645	3,220,526	+12.6	2,760,935	1,440,386	1,723,031
Aug 1	3,649,146	3,263,082	+11.8	2,762,240	1,426,986	1,724,728
Aug 8	3,637,070	3,233,242	+12.5	2,743,284	1,415,122	1,729,667
Aug 15	3,654,795	3,238,160	+12.9	2,745,697	1,431,910	1,733,110
Aug 22	3,673,717	3,230,750	+13.7	2,714,193	1,436,440	1,750,056
Aug 29	3,639,961	3,261,149	+11.6	2,736,224	1,464,700	1,761,594
Sep 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977	1,674,588
Sep 12	3,583,408	3,222,346		2,773,177	1,476,442	1,806,259
Sep 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863	1,792,131
Sep 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459	1,777,854
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24		3,340,768		2,866,827	1,533,028	1,824,160

Steel Operations Reach New High Peak—Plate Output Limited—Backlogs Increase

"The War Production Board is understood to be ready to make a flat announcement that the steel budget plan for regulating the flow of metal to consumers will go into effect as soon as this is practical," states "The Iron Age," in its issue of today (Oct. 22), which further adds in part: "At least two months may be required to get the budget plan into shape so that actual Government steel requirements can be matched against actual production capacity.

"Under the steel budget plan prime contractors will be obligated to furnish Government agencies with their steel requirement data. These requirements will be analyzed and sent to the WPB Steel Requirements Committee which will match figures against capacity for a given month or quarter. After requirements are geared to production, certificates will be issued for contractors to obtain steel.

"As the metal working industry waited for some definite announcement from the Government on the steel budget plan, which is likely to be a pattern for controls of some other vital war materials, incoming steel orders increased sharply. Reports from some companies indicate business so far in October is running 25 to 40% ahead of the similar period last month. Backlogs are larger and delivery promises on many products have been considerably extended. A very large percentage of the orders carry AA ratings.

"With so many limitation orders issued against civilian product plants, many steel finishing mills are now operating at a fraction of their capacity. Examples are tin plate mills which in some cases are running as low as 25% because of lack of orders. Concrete reinforcing bar mills, now operating at a fairly high rate, will reduce production sharply as already slim backlogs disappear. (This may also be said for certain types of pipe mills.)

"The trend toward lower operations in some steel industry departments is bound to continue. While the tonnage of steel ingots being made is at a maximum consistent with the raw materials supply, equilibrium between steel ingots and finished steel products may be unavoidably unbalanced from time to time. Plants making ingots in excess of their needs will, of course, ship the steel to other mills. This has already been done in some instances. One headache of the next few months, regardless of the success of the new steel budget plan, will be obtaining the proper products mix so that the maximum amount of ingots or semi-finished steel goes to those finishing mills making the steel products most urgently needed.

"A new advance in steel production was evidence of growing scrap supplies. This week thousands of volunteer workers were calling upon industrial plants to line up new sources of scrap, with the tonnages involved considerably greater than in home scrap salvage. Stimulation of the flow of industrial material, following the successful newspaper drive for household salvage, will send the steel industry into the winter with a far greater backlog of scrap than seemed possible a few months ago."

The American Iron and Steel Institute on Oct. 19 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 101.0% of capacity for the week beginning Oct. 19, compared with 100.2% one week ago, 96.2% one month ago and 97.8% one year ago. This represents an increase of 0.8 point, or 0.8% from the preceding week, and is the highest rate since the start of the war. The operating rate for the week beginning Oct. 19 is equivalent to 1,727,800 tons of steel ingots and castings, compared to 1,714,100 tons one week ago, 1,645,700 tons one month ago, and 1,615,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Oct. 19, stated in part:

"Refinements in steel distribution are being made by the War Production Board, to serve most needed purposes and avoid supplying more than necessary for any at the expense of others.

"Although facilities are available for producing at least 1,250,000 tons of steel plates per month, apparently the disposition of WPB has been to limit plate output to about 1,100,000 tons and this rate is expected to hold for the remainder of this year. This plate production suffices for all urgent requirements and the unused capacity releases steel for other products where pressure is heaviest, particularly for bars and sheets, the latter having suffered over recent months by diversion of strip capacity to light plates.

"Plate allocations for November are awaited and if the pattern of the past few months is followed 70 to 75% will be for the Maritime Commission, the Army and the Navy, the former taking most.

"Office of Price Administration has made a number of amendments to the scrap price schedule, mainly in specifications and differentials, designed to give a more equitable relation between grades and to route specialties to their proper users. The base prices of representative grades have not been changed.

"Demand for steel bars, both carbon and alloy, continues to mount and some producers find the situation tighter than in plates. In most cases deliveries can not be promised defintely for priorites below AA-2. As a result of this situation some AAA priorities and directives are appearing, applying to most-needed tonnages.

"After a period of slow buying sheet orders are increasing and this adds to shortage attributed to directives and to restrictions on sheet bars. Deliveries on top ratings vary from eight to 12 weeks. Cold-rolled sheets are in better demand for war purposes and some producers are able to take on tonnage in lighter gauges but supply of hot-rolled sheets for processing is far from sufficient. Even under high priority deliveries extend into first quarter.

"Orders for reduction of tin plate production are expected, in keeping with restrictions placed on its use. Enlargement of the program for salvage of tin from tin plate scrap is under way, contracts being let for several detinning plants, additions to others and establishment of a number of shredding plants. Collection of tin cans is bringing better results and material for detinning is on the increase."

Reserve Board Amends Consumer Credit Rules

The Board of Governors of the Federal Reserve System announced on Oct. 15 that it has adopted Amendment No. 9 to its Regulation W, relating to consumer credit. The amendment becomes effective Oct. 26. The changes are technical or administrative, designed to improve the practical workings of the regulation, the Board said, explaining:

"One of the changes relates to the sending out of listed articles 'on approval.' This may not be done if the customer's charge account is in default under the regulation; and if it is an instalment sale that is in contemplation, the seller must obtain, at or before the time of delivery, a deposit equal to the required down payment.

"Another change permits the delivery of small listed articles (costing no more than $5) to charge account customers even though the merchant does not check the accounts before delivery to see if they are in default, provided the merchant promptly requests any customer whose account he finds to be in default to return his purchase or pay for it immediately. This change is designed to facilitate the operations of merchants who at busy times have found it physically impossible to check accounts before making deliveries.

"A third change permits credit sales to customers whose charge accounts are in default by amounts less than $2. This change is designed to relieve both merchants and customers from a requirement that is frequently bothersome out of all proportion to its importance."

Condition Of National Banks

The statement of condition of the National banks under the Comptroller's call of June 30, 1942, has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including September 24, 1941, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON SEPT. 24 AND DEC. 31, 1941, APRIL 4 AND JUNE 30, 1942
[In thousands of dollars]

	Sept. 24, 1941 (5,131 banks)	Dec. 31, 1941 (5,123 banks)	April 4, 1942 (5,115 banks)	June 30, 1942 (5,107 banks)
ASSETS	$	$	$	$
Loans and discounts, including overdrafts	11,470,256	11,751,792	11,569,311	10,901,795
U. S. Government securities, direct obligations	8,593,247	9,786,743	10,665,769	13,299,723
Obligations guaranteed by U. S. Government	2,534,541	2,286,309	2,116,310	1,629,269
Obligations of States and political subdivisions	2,068,091	2,024,715	2,082,182	1,960,534
Other bonds, notes and debentures	1,606,133	1,588,006	1,563,719	1,558,910
Corporate stock, including stock of Federal Reserve banks	203,946	201,735	197,688	194,952
Total loans and investments	*26,476,214*	*27,639,300*	*28,194,979*	*29,545,183*
Cash, balances with other banks, including reserve balances, and cash items in process of collection	15,142,138	15,001,930	14,410,735	*14,316,563
Bank premises owned, furniture and fixtures	591,544	590,579	591,922	588,690
Real estate owned other than bank premises	91,620	81,697	76,910	72,494
Investments and other assets indirectly representing bank premises or other real estate	60,629	54,036	53,445	52,526
Customers' liability on acceptances outstanding	39,492	40,139	34,950	32,316
Interest, commissions, rent and other income earned or accrued but not collected	65,759	64,346	74,141	63,594
Other assets	53,710	66,207	59,455	47,599
Total assets	42,521,106	43,538,234	43,496,537	*44,718,965
LIABILITIES				
Demand deposits of individuals, partnerships and corporations	19,944,103	20,480,952	20,287,746	21,945,397
Time deposits of individuals, partnerships and corporations	8,044,337	7,964,912	7,721,120	7,841,032
Deposits of U. S. Government and postal savings	603,581	1,142,734	1,493,858	1,189,410
Deposits of States and political subdivisions	2,578,267	2,590,940	2,735,059	2,741,720
Deposits of banks	6,957,718	6,789,685	6,843,042	*6,498,697
Other deposits (certified and cashiers' checks, etc.)	410,314	585,549	396,668	442,851
Total deposits	38,538,320	39,554,772	39,477,493	*40,659,117
Demand deposits	*30,041,996*	*31,103,009*	*31,309,194*	**32,367,109*
Time deposits	*8,496,324*	*8,451,763*	*8,168,299*	*8,292,008*
Bills payable, rediscounts and other liabilities for borrowed money	9,275	3,778	12,270	2,014
Mortgages or other liens on bank premises and other real estate	59	67	99	76
Acceptances executed by or for account of reporting banks and outstanding	45,931	47,558	41,277	37,232
Interest, discount, rent and other income collected but not earned	59,998	52,613	48,508	42,042
Interest, taxes and other expenses accrued and unpaid	68,168	62,570	74,779	73,567
Other liabilities	171,034	167,777	169,529	225,425
Total liabilities	38,892,785	39,889,135	39,823,955	*41,039,473
CAPITAL ACCOUNTS				
Capital stock (see memoranda below)	1,514,706	1,515,794	1,511,895	1,507,670
Surplus	1,350,710	1,388,672	1,396,118	1,411,407
Undivided profits	521,283	499,081	515,127	515,949
Reserves (see memoranda below)	241,622	245,552	249,442	244,466
Total capital accounts	3,628,321	3,649,099	3,672,582	3,679,492
Total liabilities and capital accounts	42,521,106	43,538,234	43,496,537	*44,718,965
MEMORANDA				
Par value of capital stock:				
Class A preferred stock	159,527	155,547	147,254	139,928
Class B preferred stock	13,098	12,983	12,745	12,451
Common stock	1,343,743	1,348,834	1,353,386	1,356,521
Total	1,516,368	1,517,364	1,513,385	1,508,900
Retirable value of preferred capital stock:				
Class A preferred stock	207,724	202,908	191,862	184,343
Class B preferred stock	15,046	‡14,948	14,693	14,399
Total	222,770	‡217,856	206,555	198,742
Reserves:				
Reserves for dividends payable in common stock	241,622	6,187	249,442	8,612
Reserve for other undeclared dividends		8,155		4,418
Retirement account for preferred stock		19,312		18,658
Reserves for contingencies, etc.		211,898		212,778
Total	241,622	245,552	249,442	244,466
Pledged assets and securities loaned:				
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	2,787,388	3,374,484	3,801,844	3,801,926
Other assets pledged to secure deposits and other liabilities, includ. notes and bills rediscounted and securities sold under repurchase agreement	580,382	635,813	595,492	542,287
Assets pledged to qualify for exercise of fiduciary or corporate powers and for purposes other than to secure liabilities	101,866	94,481	94,116	92,981
Securities loaned	27,152	17,518	23,733	20,942
Total	3,496,788	4,122,296	4,515,185	4,458,136
Secured liabilities:				
Deposits secured by pledged assets pursuant to requirements of law	2,802,808	3,462,951	3,840,459	3,529,848
Borrowings secured by pledged assets, including rediscounts and repurchase agreements	8,613	3,096	10,006	1,965
Other liabilities secured by pledged assets	549	612	424	517
Total	2,811,970	3,466,659	3,850,889	3,532,330
Demand deposits:				
Deposits of individuals, partnerships and corporations	19,944,103	20,480,952	20,287,746	21,945,397
Deposits of U. S. Government	566,645	1,105,403	1,457,768	1,152,299
Deposits of States and political subdivisions	2,267,161	2,240,083	2,409,675	2,407,420
Deposits of banks in the United States (including private banks and American branches of foreign banks)	6,853,773	6,359,909	6,757,337	*6,049,289
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)		331,113		369,843
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash and amounts due to Federal Reserve banks (transit account)	410,314	585,549	396,668	442,861
Total demand deposits	30,041,996	31,103,009	31,309,194	*32,367,103
Time deposits:				
Deposits of individuals, partnerships and corporations—				
Savings deposits	8,044,337	7,211,689	7,721,120	7,091,136
Certificates of deposit		468,195		432,257
Deposits accumulated for payment of personal loans		64,442		66,821
Christmas savings and similar accounts		20,340		87,481
Open accounts		200,246		163,337
Total	*8,044,337*	*7,964,912*	*7,721,120*	*7,841,032*
U. S. Government and postal-savings deposits	36,936	37,331	36,090	37,111
Deposits of States and political subdivisions	311,106	350,857	325,384	334,300
Deposits of banks in the United States (including private banks and American branches of foreign banks)	103,945	93,350	85,705	74,852
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)		5,313		4,713
Total time deposits	8,496,324	8,451,763	8,168,299	8,292,008
Ratio of required reserves to net demand plus time deposits:				
Total, Central Reserve city banks	26.60%	24.72%	24.83%	24.82%
Total, Reserve city banks	14.29%	16.48%	16.69%	16.80%
Total, Country banks	8.58%	10.36%	10.46%	10.56%
Total, all member National banks	14.93%	17.08%	17.32%	17.28%

---

*Excludes reciprocal interbank demand balances with banks in the United States of $439,310,000. In call reports covering the period from June 30, 1921, to April 4, 1942, inclusive, reciprocal bank balances were reported "gross." The amounts of such balances held in that period are not available. ‡Revised.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Oct. 20	117.40	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
19	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
17	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
15	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
14	117.37	107.62	117.00	114.08	108.70	92.64	97.47	111.81	114.46
13	117.37	107.62	117.00	114.08	108.70	92.64	97.47	111.81	114.46
12				Exchange Closed					
10	117.36	107.62	117.20	114.08	108.70	92.64	97.47	111.81	114.46
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
8	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
7	117.33	107.44	117.20	114.08	108.70	92.35	97.31	111.81	114.46
6	117.30	107.44	117.00	114.08	108.70	92.35	97.31	111.81	114.27
5	117.40	107.27	117.00	113.89	108.70	92.20	97.16	111.62	114.27
3	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
1	117.36	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.27
24	118.22	106.74	116.61	113.31	107.98	91.77	95.92	111.62	114.08
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
10	118.26	106.74	116.41	113.31	107.80	91.62	95.77	111.25	114.08
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.08	108.70	92.64	97.47	111.81	114.46
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
Oct. 20, 1941	119.25	107.98	118.20	115.43	109.24	91.91	97.31	112.00	115.82
2 Years ago									
Oct. 19, 1940	116.85	105.00	117.40	113.12	104.66	88.27	93.97	109.97	112.37

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Oct. 20	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
19	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
17	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
16	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
15	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
14	2.05	3.30	2.80	2.95	3.24	4.23	3.91	3.07	2.93
13	2.05	3.30	2.80	2.95	3.24	4.23	3.91	3.07	2.93
12				Exchange Closed					
10	2.05	3.30	2.79	2.95	3.24	4.23	3.91	3.07	2.93
9	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
8	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
7	2.06	3.31	2.79	2.95	3.24	4.25	3.92	3.07	2.93
6	2.06	3.31	2.80	2.95	3.24	4.25	3.92	3.07	2.94
5	2.05	3.32	2.80	2.96	3.24	4.26	3.93	3.08	2.94
3	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.08	2.94
2	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
1	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.08	2.94
Sep 25	2.04	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
24	2.00	3.35	2.82	2.99	3.28	4.29	4.01	3.08	2.95
17	1.99	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
10	1.98	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
3	1.98	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.95	3.24	4.23	3.91	3.07	2.93
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago									
Oct. 20, 1941	1.90	3.28	2.74	2.88	3.21	4.28	3.92	3.06	2.86
2 Years ago									
Oct. 19, 1940	2.12	3.45	2.78	3.00	3.47	4.54	4.14	3.17	3.04

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

Non-Farm Foreclosures

The rate of non-farm foreclosures continued its steady decline in August, when the total of 3.072 cases was 14% below the July figure of 3,558, the previous low record for 15 years, it was reported on Oct. 10 by the Federal Home Loan Bank Administration. Normally, there is only a 2% reduction from July to August, said the announcement, which likewise stated:

"As compared with the same month a year ago, the August foreclosures represented a drop of 28%.

"The highest rate of non-farm foreclosures still occurs in the larger cities."

Moody's Daily Commodity Index

Tuesday, Oct. 13	233.3
Wednesday, Oct. 14	234.2
Thursday, Oct. 15	233.3
Friday, Oct. 16	232.8
Saturday, Oct. 17	233.1
Monday, Oct. 19	233.3
Tuesday, Oct. 20	234.1
Two weeks ago, Oct. 6	234.6
Month ago, Sept. 19	232.6
Year ago, Oct. 20	205.2
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Oct. 3	236.4
Low, Jan. 2	220.0

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Oct. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allegheny Ludlum Steel Corp., common	2,196	3,496	
Allied Kid Co., common	23,350	37,290	(1)
Allied Mills, Inc., common	304,441	304,454	
American Hide and Leather Co., 6% pfd.	100	1,160	
American Home Products Corp., capital	3,209	2,309	(2)
American Ice Co., 6% preferred	25,977	26,977	
Armour and Co. (Del.) 7% preferred	4,687	6,189	
Associates Investment Co., common	24,657	24,796	
5% cumulative preferred	2,293	3,450	
Atlantic Gulf & West Indies Steamship Lines, 5% preferred	18,258	18,358	
Atlas Corp., common	55,103	56,415	
6% preferred	1,063	1,069	
Bucyrus-Erie Co., 7% preferred	11,269	11,436	
Case (J. I.) Co., common	1,707	1,657	
Century Ribbon Mills, Inc., 7% preferred	205	245	
Chicago Yellow Cab Co., Inc., capital	31,365	35,218	
Consolidated Laundries Corp., common	28,000	28,300	
Consolidated Oil Corp., common	97,400	197,600	
Continental Baking Co., 8% cumulative preferred	577	400	(3)
Cuban-American Sugar Co. (The), 5½% conv. preferred	19,388	19,888	
7% cumulative preferred	10,530	10,740	
Davega Stores Corp., common	10,550	10.850	
5% cumulative convertible preferred	----	9	
Detroit Edison Co. (The), common	5,970	5,890	
Distillers Corp.-Seagrams, Ltd., cumul. pref., 5% series	----	----	(4)
Firestone Tire & Rubber Co. (The), common	319,164	319,184	
Fruehauf Trailer Co., 5% convertible preferred	1,275	1,445	
Gaylord Container Corp., 5½% cumulative cv. pfd.	----	190	
General Motors Corp., common	3,726	3,764	
General Printing Ink Corp., $6 cumulative preferred	3,063	3,213	
General Railway Signal Co., 6% preferred	1,191	1,201	
General Shoe Corp., common	2,897	2,922	
Gillette Safety Razor Co., $5 convertible preferred	9,049	9,249	
Glidden Co., The, common	8,847	9,147	
Goodyear Tire & Rubber Co. (The), $5 cumul. conv. pref.	17,965	19,365	
Household Finance Corp., common	14,383	14,883	
Interstate Department Stores, Inc., 7% preferred	5,316	5,366	
Jewel Tea Co., Inc., common	2,789	2,769	
Jones & Laughlin Steel Corp., common	----	8	
5% cumulative preferred "A"	----	2	
5% cumulative preferred "B"	----	2	
Kaufmann Department Stores, 5% cumulative preferred	20,235	20,265	
Kayser (Julius) & Co., common	103,220	104,320	
Lehman Corp., The, common	103,907	104,507	
McCall Corp., common	----	400	
Mead Corp., The, $5.50 cum. pfd. "B"	1,939	2,139	
National Cylinder Gas Co., common	4,205	14,805	
National Department Stores Corp., 6% preferred	85,879	86,739	
National Steel Corp., common	6,400	5,750	
Natomas Co., common	----	----	(5)
Newport News Shipbuild'g & Dry Dock Co., $5 cum. cv. pfd.	4,100	4,500	
Petroleum Corp. of America, capital	3,200	9,300	
Plymouth Oil Co., common	13,600	14,800	(6)
Radio Corp. of America, preferred "B"	----	----	(7)
Real Silk Hosiery Mills, Inc., 7% cum. preferred	5,731	5,741	
Reliable Stores Corp., common	45,459	49,459	
Revere Copper & Brass, Inc., 5¼% cumulative preferred	----	----	(8)
Safeway Stores, Inc., 5% cumulative preferred	1,736	2,587	
Schenley Distillers Corp., 5½% cumulative preferred	1,120	2,620	
Seaboard Oil Co. of Delaware, capital	16,700	17,500	
Shattuck (Frank G.) Co., common	160,400	166,000	
Sheaffer (W. A.) Pen Co., common	4,575	4,630	
Superheater Co. (The), common	98,450	98,650	
Swift & Co., capital	77,811	77,740	
Transamerica Corp., capital	1,098,200	1,102,600	
Twentieth Century-Fox Film Corp., $1.50 prtferred	33,480	35,980	
United States Rubber Co., common	239	246	
Vultee Aircraft, Inc., cumulative convertible preferred	----	----	(9)
White (S. S.) Dental Mfg. Co. (The), capital	1,443	1,465	
Willys-Overland Motors, Inc., 6% cumulative conv. pref.	34,300	38,500	

NOTES

(1) 500 shares acquired in July; 13,040 shares in August; 400 in September.
(2) 900 shares issued in exchange for all capital stock of J. B. Shohan & Co.
(3) 1,400 shares acquired; 1,577 shares retired.
(4) 2,387 shares acquired and retired.
(5) 6,800 shares acquired and retired.
(6) 900 shares acquired in August and 300 in September.
(7) 100 shares acquired and retired.
(8) 277 shares acquired and retired.
(9) 4,240 shares acquired and retired.

The New York Curb Exchange issued on Oct. 15 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corporation, $2.00 div. ser. pfd.	9,831	9,931
Common	357,471	358,682
American Writing Paper Corp., common	18,462	20,162
Cooper-Bessemer Corp., $3 prior preference	1,743	2,143
Dejay Stores, Inc. common	9,936	10,481
Equity Corp., $3 convertible preferred	48,223	48,673
Ken-Rad Tube & Lamp Corp., "A" common	7,750	9,050
Klein (D. Emil) Co., Inc., common	16,444	16,769
Knott Corp., common	8,858	8,868
Lane Bryant, Inc., 7% preferred	58	63
Merritt-Chapman & Scott Corp., 6½% "A" preferred	6,077	880
Mock, Judson, Voehringer Co., Inc., common	3,020	4,067
Niagara Share Corp of Maryland, A preferred	4,836	4,846
B common	142,081	143,781
Pittsburgh Metallurgical Co., Inc., common	1,400	400
Sterchi Bros. Stores, Inc., 6% 1st pfd.	161	206
5% 2nd preferred	195	240
Stroock (S.) & Co., Inc., capital	18,500	19,200
Sunray Oil Corp., 5½% convertible preferred	1,250	1,550
Common	7,621	101,222
United Cigar-Whelan Stores Corp., common	12,137	12,139
Wilson-Jones Co., common	9,000	9,300

August Mortgage Recording Activity Down

The Federal Home Loan Bank Administration announced on Oct. 1 that non-farm mortgage recordings during August amounted to $337,000,000, a decline of 5% from the preceding month and 21% from August, 1941. With the exception of a small increase during July this represents a continuation of the gradual downward movement in the volume of mortgage financing which was begun in May of this year. Recordings during each of these four months (May, June, July and August) have evidenced declines of $86,000,000 or more from comparable months of last year, and declines ranging from $13,000,000 to $40,000,000 from 1940 months. No monthly volume of recordings to date this year has fallen below the comparable 1939 figure.

The FHLBA announcement continued:

"During August mortgagees in the 'other' category evidenced a fractional gain from the preceding month, while remaining types of lenders recorded volumes ranging from 2 to 11% below July. To date this year insurance companies, individuals, and 'others' have displayed the greatest resistance to the downward movement in real estate financing activity. For these three types of lenders declines from recordings during the comparable January-August period of 1941 do not exceed 4%. On the other hand, national leaders in the home financing field, savings and loan associations and bank and trust companies, as well as mutual savings banks—a leader in the New York-New England area—have recorded volumes ranging from 16 to 20% below the same eight-month period of last year.

Type of Lender	August 1942 Volume (000)	August 1942 % of Total	% Chg. from July	August 1941 Volume (000)	August 1941 % of Total	% Chg. Aug.'41 Aug.'42	—Cumulative Recordings— January-August (000) 1942	1941	% Chg.
S. & L. Assns.	$102,628	30.5	— 2.0	$139,156	32.5	—26.2	$806,757	$989,368	—18.5
Ins. Cos.	28,299	8.4	—11.3	35,995	8.4	—21.4	248,465	257,826	— 3.6
Bk. & Tr. Cos.	72,480	21.5	—10.2	105,153	24.6	—31.1	613,387	766,443	—20.0
Mut. Svg. Bks.	14,793	4.4	— 5.6	19,213	4.5	—23.0	113,809	135,998	—16.3
Individuals	62,824	18.6	— 3.1	69,002	16.1	— 9.0	489,614	509,361	— 3.9
Others	55,826	16.6	+ 0.2	59,580	13.9	— 6.3	423,807	430,007	— 1.4
Total	$336,850	100.0	— 4.7	$428,099	100.0	—21.3	$2,695,839	$3,089,003	—12.7

"During the first eight months of this year almost $2,700,000,000 of non-farm mortgages of $20,000 or less were recorded throughout the country, a curtailment of $393,000,000 or 13%, from recordings during the same 1941 period. Data compiled by the Department of Labor reveals that in the same comparison new residential construction declined 41%. Among the factors which have contributed to this relative stability in mortgage financing, is the rapid rate at which institutionally owned real estate has been converted into mortgage loans. In most sections of the country institutions are no longer faced wtih the serious problem of owned real estate."

Engineering Construction Gains 13% Over Preceding Week

Engineering construction volume for the week, $157,526,000, is 13% higher than in the preceding week, and almost four times as great as the $42,944,000 reported for the holiday-shortened week in 1941, according to "Engineering News-Record" on Oct. 15. Federal construction makes up 91% of the week's volume and is responsible for the 18% gain in public construction as State and municipal work is 0.2% below a week ago. Private construction declines 55% from the last week's total. The report went on to say:

The current week's volume brings 1942 construction to $8,133,308,000, an increase of 60% over the total for the corresponding 42-week period last year, and already 38.5% above the volume reported for the 52 weeks of 1941. Private construction, $499,869,000, is 50% lower than in the period last year, but public work, $7,633,439,000, is 87% higher than a year ago as a result of the 136% gain in Federal work.

Construction volumes for the short 1941 week, last week, and the current week are:

	Oct. 16, 1941 (four days)	Oct. 8, 1942 (five days)	Oct. 15, 1942 (five days)
Total Construction	$42,944,000	$139,855,000	$157,526,000
Private Construction	12,345,000	11,059,000	4,963,000
Public Construction	30,599,000	128,796,000	152,563,000
State and Municipal	15,258,000	8,745,000	8,727,000
Federal	15,341,000	120,051,000	143,836,000

In the classified construction groups, gains over the preceding week are in sewerage, streets and roads, and unclassified construction. Increases over the holiday-shortened 1941 week are in waterworks, sewerage, public buildings, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $1,302,000; sewerage, $1,940,000; bridges, $152,000; industrial buildings, $501,000; commercial building and large-scale private housing, $4,304,000; public buildings, $65,175,000; streets and roads, $10,571,000; earthwork and drainage, $626,000, and unclassified construction, $72,955,000.

New capital for construction purposes for the week totals $342,000. This volume, entirely State and municipal bond sales, compares with $17,290,000 for the week last year.

New construction financing for the year to date, $9,533,420,000, is 61% above the $5,909,622,000 reported for the 42-week period in 1941.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
1942—Week Ended—					
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	72	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90
July 18	103,559	114,917	226,341	71	90
July 25	112,513	120,982	219,700	74	89
Aug. 1	119,023	125,653	213,443	76	89
Aug. 8	114,969	121,035	208,769	75	88
Aug. 15	120,262	122,735	208,206	73	88
Aug. 22	124,763	119,299	213,890	74	87
Aug. 29	122,236	124,440	212,953	77	87
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Southern Railroads Increase Fares

The Interstate Commerce Commission on Sept. 30 refused to suspend its order of Aug. 1 allowing the petition of Southern railcarriers to increase their basic passenger coach fares from 1.65 cents a mile to the uniform fare of 2.2 cents now in effect in other parts of the country, despite the protest of the Office of Price Administration.

The increased fare, according to the Southern railroads' own estimate, would, for 1942, "wipe out the deficit from operations in passenger business and yield a slight contribution toward return on investment." According to their petition, deficits from passenger business in the South for the six-year period 1936-1941 amounted to $22,121,962. The fare in crease would affect 51 railroads in the Southern territory, among which are the Atlantic Coast Line, Central of Georgia, Flordia East Coast, Illinois Central, Louisville & Nashville, St. Louis-San Francisco Railway, Seaboard Air Line and Southern Railway System.

The OPA in its application to suspend these increases for the duration told the Commission that "Southern rail carriers are today enjoying the greatest passenger business in many years; their revenues are at peak level and comparative position with other regions in the United States is excellent. There passanger revenues are steadily increasing and have reached such a point as to cast considerable doubt on any carrier assertion that they are not sustaining at least the cost of rendering the service; that with the continued upward trend in business, revenues on the present basis of rates will be more than sufficient."

The increased passenger coach fares throughout Southern territory became effective on Oct. 1.

Ethiopia Welcomed

President Roosevelt on Oct. 9 welcomed Ethiopia as one of the United Nations, expressing his "deep appreciation" to Emperor Haile Selassie for offering his country's military and economic resources "at the disposal of those nations who gladly sacrifice all for liberty and justice."

In a telegram to the President, the Emperor noted that his nation was the first to regain its freedom and independence. Mr. Roosevelt, after consultation with other members of the United Nations, said he was gratified to accept the adherence of Ethiopia to the declaration by United Nations.

The message from Haile Selassie follows:

"My government and people are anxious to assume the obligations of the United Nations pact. We, the first nation to regain its freedom and independence, wish to place the military and economic resources of our country at the disposal of those nations who gladly sacrifice all for liberty and justice."

The President's reply was as follows:

"I have received Your Majesty's telegram stating that your government and people are anxious to assume the obligations of the declaration by the United Nations and that Ethiopia desires to place its military and economic resources at the disposal of the nations which gladly sacrifice all for liberty and justice.

"It is gratifying to accept the adherence of Ethiopia to the declaration by United Nations; to welcome as one of the United Nations the first State to regain its territory after temporary occupation by an Axis aggressor. You may be sure that there is deep appreciation for your offer to place at the disposal of the United Nations the military and economic resources of Ethiopia for use in the struggle against the common enemy."

Daily Average Crude Oil Production For Week Ended Oct. 10, 1942 Increased 172,250 Bbls.

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Oct. 10, 1942 was 3,856,750 barrels, an increase of 172,250 barrels over the preceding week, but when compared with the corresponding period last year showed a decline of 214,200 barrels. The current figure also was 209,450 barrels below the daily average figure for the month of October, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Oct. 10, 1942 averaged 3,846,500 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.6% of the 4,800,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,766,000 barrels of crude oil daily during the week ended Oct. 10, 1942, and that all companies had in storage at refineries, at bulk terminals, in transit and in pipe lines as of the end of that week, 79,731,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,511,000 barrels during the week ended Oct. 10, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations October	*State Allowables Beginning Oct. 1	—Actual Production— Week Ended Oct. 10 1942	Change From Previous Week	4 Weeks Ended Oct. 10 1942	Week Ended Oct. 11 1941
Oklahoma	417,000	417,000	†365,850	+ 300	369,000	428,200
Kansas	234,000	294,000	†276,300	— 6,400	289,200	231,650
Nebraska	3,500	------	†3,350	------	3,300	6,250
Panhandle Texas			85,200	+ 200	86,450	84,400
North Texas			140,000	+ 1,000	138,450	134,700
West Texas			206,000	+ 23,000	204,750	279,700
East Central Texas			90,400	+ 8,700	86,050	83,500
East Texas			362,000	+ 69,000	344,950	369,700
Southwest Texas			161,700	+ 18,200	158,900	218,500
Coastal Texas			304,000	+ 22,000	309,250	293,150
Total Texas	1,407,600	‡1,455,261	1,349,300	+142,100	1,328,800	1,463,650
North Louisiana			97,700	— 1,000	98,700	80,100
Coastal Louisiana			228,000	+ 1,000	231,750	256,200
Total Louisiana	337,200	349,200	325,700	------	330,450	336,300
Arkansas	79,500	73,461	73,400	— 350	73,350	71,250
Mississippi	50,000		†70,950	— 150	72,250	62,200
Illinois	280,000		272,000	+ 5,050	263,700	407,350
Indiana	19,000		†17,950	+ 650	17,200	19,250
Eastern (not incl. Ill. and Indiana)	107,400		93,600	— 5,300	96,350	93,350
Michigan	65,700		61,800	— 600	62,500	57,600
Wyoming	90,800		90,100	— 4,050	93,450	90,300
Montana	24,400		21,800	+ 200	21,700	20,100
Colorado	7,000		6,950	+ 100	6,850	4,700
New Mexico	101,100	101,100	97,900	+ 1,400	97,500	114,500
Total East of Calif.	3,284,200		3,126,950	+132,950	3,125,600	3,406,650
California	782,000	§782,000	729,800	+ 39,300	720,900	664,300
Total United States	4,066,200		3,856,750	+172,250	3,846,500	4,070,950

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in July, 1942, as follows: Oklahoma, 28,300; Kansas, 4,300; Texas, 98,900; Louisiana, 19,000; Arkansas, 2,900; Illinois, 8,900; Eastern (not including Illinois and Indiana), 7,800; Michigan, 200; Wyoming, 2,200; Montana, 200; New Mexico, 5,800; California, 41,000.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Oct. 7.

‡This is the net basic allowable as of Oct. 1, calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 16 days, the entire state was ordered shut down for 9 days, namely, Oct. 3, 4, 10, 11, 17, 18, 24, 25 and 31.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED OCT. 10, 1942

(Figures in Thousands of barrels of 42 Gallons Each)

	Daily Refining Capacity		Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis					
District—	Potential Rate	% Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,716	70.3	5,029	37,950	24,168	18,749
Appalachian	176	84.8	159	90.3	461	2,667	712	519
Ind., Ill., Ky.	804	83.3	731	90.9	2,638	14,066	6,053	3,428
Okla., Kansas, Mo.	416	80.1	367	88.2	1,278	6,385	2,002	1,359
Rocky Mountain	147	48.0	92	62.6	279	1,650	430	537
California	817	89.9	701	85.8	1,826	17,013	12,642	54,089
Tot. U. S. B. of M. basis, Oct. 10, 1942	4,800	85.6	3,763	78.5	11,511	†79,731	46,007	78,681
Tot. U. S. B. of M. basis, Oct. 3, 1942	4,800	85.6	3,879	80.8	11,581	80,361	45,750	79,036
U. S. Bur. of Mines basis, Oct. 11, 1941			4,092		13,685	80,432	53,031	94,533

*At the request of the Office of Petroleum Coordinator. †Finished 70,711,000 bbls.; unfinished, 9,020,000 bbls. ‡At refineries, at bulk terminals, and in pipe lines.

Wholesale Commodity Prices Advanced 0.1% In Oct. 10 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Oct. 15 that prices in primary markets edged upward during the week ended Oct. 10 and the Bureau's comprehensive index rose 0.1%. Further advances in prices for livestock and dairy products again accounted for the rise, which brought the all-commodity index to 99.8% of the 1926 average. Industrial commodity markets continued relatively steady under Government regulation.

Although prices for hogs in the Chicago market reached a 22-year peak early in the week ended Oct. 10, reports of possible action by the Office of Price Administration in imposing ceilings together with heavy receipts caused the market to break sharply in the past few days.

The Bureau's announcement added the following details:

"**Farm Products and Foods**—Prices for farm products in primary markets averaged 0.2% higher during the week of Oct. 10 than in the preceding week. Quotations for steers were up nearly 2% and hogs about 1½%. Prices were also higher for hay, hops and flaxseed. All grains, except barley, declined, and prices were also lower for sheep, live poultry, and for cotton.

"Average prices for foods rose 0.3% largely as a result of increases of about 1½% for butter, nearly 4% for cheese, 5% for fresh milk in the Chicago market, 8½% for condensed milk and 5% for evaporated milk. Higher prices were also reported for eggs, flour, for most dried fruits, for potatoes in Eastern markets, and for onions. Prices of mutton moved upward and cottonseed oil was higher. Lower quotations were reported for rye flour, and there were continued seasonal declines for citrus fruits and sweet potatoes. Prices of white potatoes at Chicago and Portland (Oregon) were lower.

"In the past month prices for foods in primary markets have risen 1.7% and farm products have advanced 1.6%. The indexes for these groups are about 15 and 20% higher than at this time last year.

"**Industrial Commodities**—There were comparatively few changes in industrial commodity markets. Office of Price Administration action caused prices of butyl acetate and butyl alcohol to rise sharply. Prices were also higher for bituminous coal in some areas, and for rosin, ground bones and cottonseed meal. Lower price ceilings were set by the Office of Price Administration on cotton yarns late in September. During the week ended Oct. 10 prices for certain types of lumber and for turpentine declined. Ergot dropped 24% under heavy competition."

The Bureau makes the following notation:

"During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

"The following table shows index numbers for the principal groups of commodities for the past three weeks, for Sept. 12, 1942 and Oct. 11, 1941 and the percentage changes from a week ago, a month ago, and a yeatr ago:

(1926=100)

						Percentage changes to Oct. 10, 1942 from—		
Commodity groups	10-10 1942	10-3 1942	9-26 1942	9-12 1942	10-11 1941	10-3 1942	9-12 1942	10-11 1941
All commodities	*99.8	*99.7	*99.4	*99.2	91.6	+0.1	+0.6	+ 9.0
Farm products	108.9	108.7	107.3	107.2	90.5	+0.2	+1.6	+20.3
Foods	103.3	103.0	102.0	101.6	89.2	+0.3	+1.7	+15.8
Hides and leather products	118.4	118.4	118.4	119.0	112.6	0	—0.5	+ 5.2
Textile products	96.5	96.6	96.7	96.7	90.1	—0.1	—0.2	+ 7.1
Fuel and lighting materials	79.7	79.7	79.6	79.6	79.9	0	+0.1	— 0.3
Metals and metal products	*103.9	*103.9	*103.9	*103.9	98.6	0	0	+ 5.4
Building materials	110.5	110.5	110.5	110.3	107.1	0	+0.2	+ 3.2
Chemicals and allied products	96.2	96.2	96.2	96.2	89.8	0	0	+ 7.1
Housefurnishing goods	104.1	104.1	104.1	104.1	99.7	0	0	+ 4.4
Miscellaneous commodities	88.4	88.4	88.6	88.6	85.9	0	—0.2	+ 2.9
Raw materials	102.6	102.4	101.5	101.6	89.6	+0.2	+1.0	+14.5
Semimanufactured articles	92.8	92.8	92.8	92.7	89.7	0	+0.1	+ 3.5
Manufactured products	*99.7	*99.6	*99.5	*99.3	93.1	+0.1	+0.4	+ 7.1
All commodities other than farm products	*97.9	*97.8	*97.7	*97.5	91.9	+0.1	+0.4	+ 6.5
All commodities other than farm products and foods	*95.7	*95.7	*95.7	*95.7	92.3	0	0	+ 3.7

*Preliminary.

Cottonseed Receipts Again Higher

On Oct. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the two months ended with September, 1942 and 1941:

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

	Received at mills* Aug. 1 to Sep. 30		Crushed Aug. 1 to Sep. 30		On hand at mills Sep. 30	
	1942	1941	1942	1941	1942	1941
United States	1,242,060	1,156,974	622,793	528,472	701,195	759,031
Alabama	83,909	83,152	50,778	60,152	36,464	34,173
Arkansas	102,223	176,948	53,653	71,307	58,445	130,571
Georgia	111,528	63,770	75,606	61,646	39,979	21,040
Louisiana	71,572	36,436	37,190	19,671	35,126	17,291
Mississippi	275,857	246,373	104,395	91,255	177,703	159,144
North Carolina	58,747	40,483	27,464	19,809	34,394	30,410
Oklahoma	26,062	36,142	13,180	10,873	17,346	25,801
South Carolina	46,340	22,392	32,014	11,549	15,026	13,851
Tennessee	98,711	161,210	44,925	57,815	62,973	124,063
Texas	321,820	219,276	165,908	93,821	191,271	152,649
All other States	45,291	70,792	15,680	30,574	32,468	50,038

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 20,003 and 4,751 tons reshipped for 1942 and 1941 respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand Aug. 1	Produced Aug. 1 to Sep. 30	Shipped out Aug. 1 to Sep. 30	On hand Sep. 30
Crude oil	1942-43	*34,460	189,981	141,191	*90,601
(thousand pounds)	1941-42	29,708	163,868	133,085	79,756
Refined oil	1942-43	†310,191	‡113,454	------	†199,396
(thousand pounds)	1941-42	294,005	96,784	------	178,271
Cake and meal	1942-43	190,100	265,766	309,333	146,533
(tons)	1941-42	164,444	228,162	219,324	173,282
Hulls	1942-43	44,118	152,807	133,784	63,141
(tons)	1941-42	151,439	135,947	132,415	154,971
Linters	1942-43	43,295	181,006	127,258	97,043
(running bales)	1941-42	123,154	151,250	172,209	102,195
Hull fiber	1942-43	229	3,815	1,872	2,172
(500-lb. bales)	1941-42	1,834	5,873	3,694	4,013
Grabbots, motes, &c.	1942-43	23,644	6,610	4,418	25,836
(500-lb. bales)	1941-42	6,183	5,145	5,068	6,260

*Includes 24,484,000 and 18,261,000 pounds held by refining and manufacturing establishments and 2,118,000 and 15,692,000 pounds in transit to refiners and consumers Aug. 1, 1942 and Sept. 30, 1942, respectively.

†Includes 3,620,000 and 7,029,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000, and 5,068,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc. Aug. 1, 1942 and Sept. 30, 1942, respectively.

‡Produced from 121,116,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

War Objective Called Liberty, Liberation

In a Columbus Day statement, President Roosevelt said on Oct. 12 that the cause of the United States in the present war "is not only liberty for ourselves but liberation for others." Saying that "mankind's greatest war" is to determine, "whether the march of progress shall proceed or be halted by the totality of conquest," the President declared that "an American victory will be a United Nations victory and a victory for oppressed and enslaved people everywhere."

Following is the text of the President's statement:

"It is 450 years since Christopher Columbus first saw the new Western World off his bow. He and his followers found a great expanse where new beginnings could be made, where men could steer their courses free of the fetters of tyranny and the encompassment of outworn institutions. In the wake of his courageous and unprecedented voyage there came to the Americas the seeking people of many countries—people who sought liberty, democracy, religious tolerance, the fuller life.

"This was the American experiment, a bold experiment and successful. Our immigrant ancestors, yours and mine, made it successful.

"But now the free nations we created on two continents, the very liberties we made law, are endangered by destructive forces from without. We are in the midst of mankind's greatest war, a war to determine whether the march of progress shall proceed or be halted by the totality of conquest.

"Our cause is not only liberty for ourselves but liberation for others. An American victory will be a United Nations victory and a victory for oppressed and enslaved people everywhere. I like to remember on this significant anniversary the words of a contemporary poet:

"'Columbus found a world and had no chart, save one that faith deciphered in the skies.'

"We have faith; deeds will implement it."

The White House said the quotation was from the works of George Santayana.

Envoy To Return To U. S.

William H. Standley, United States Ambassador to Russia, will return to this country soon to report to President Roosevelt and Secretary of State Hull and confer with them and other officials "on ways and means of coordinating to the utmost the war efforts of the United States and the Soviet Union." it was announced on Oct. 6 in Moscow.

Mr. Standley's statement said in part:

"The military and naval attaches of the embassy, who are directly concerned with the military phases of cooperation between the two countries, are accompanying me.

"During the period of more than six months that I have been away from the United States great changes have taken place. Not only have we brought about an unprecedented increase in our war production, but we also have gained much in experience in the field of organization and transportation.

"I feel convinced that a more intimate knowledge of these changes will help me in my efforts to make still more effective our aid to the Soviet Union."

Mr. Standley conferred with Premier Josef Stalin on Oct 6 preparatory to his leaving for the United States.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Oct. 10 is estimated at 11,400,000 net tons, as against 11,412,000 tons in the preceding week, and 11,524,000 tons in the corresponding week last year. The production of soft coal to date shows an increase of 15.5% over the same period in 1941.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Oct. 10 was estimated at 1,159,000 tons, a decrease of 69,000 tons (5.6%) from the preceding week. When compared with the output in the similar week of 1941, there was a decrease of 170,000 tons, or 12.8%. The calendar year to date shows a gain of 5.8% when compared with the corresponding period of 1941.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Oct. 10 showed an increase of 3,100 tons when compared with the output for the week ended Oct. 3. The quantity of coke from beehive ovens decreased 6,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

	Week Ended			January 1 to Date		
Bituminous and lignite coal—	Oct. 10, 1942	†Oct. 3, 1942	Oct. 11, 1941	†Oct. 10, 1942	Oct. 11, 1941	Oct. 9, 1937
Total, incl. mine fued	11,400	11,412	11,524	445,547	385,708	342,521
Daily average	1,900	1,902	1,921	1,875	1,629	1,443
*Crude petroleum—						
Coal equivalent of weekly output	6,178	5,902	6,521	250,282	244,645	225,018

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Oct. 10, 1942	Oct. 3, 1942	Oct. 11, 1941	Oct. 10, 1942	Oct. 11, 1941	Oct. 12, 1929
*Total incl. colliery fuel	1,159,000	1,228,000	1,329,000	47,112,000	44,546,000	56,000,000
†Commercial production	1,113,000	1,167,000	1,263,000	44,768,000	42,319,000	51,968,000
Beehive coke—						
United States total	159,100	165,600	131,700	6,152,100	5,033,200	5,366,100
By-product coke—						
United States total	1,208,900	1,205,800	‡	47,910,900	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons)]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Oct. avge.
State—	Oct. 3, 1942	Sept. 26, 1942	Oct. 4, 1941	Oct. 5, 1940	Oct. 2, 1937	¶1923
Alaska	5	5	8	6	5	**
Alabama	364	364	326	298	258	398
Arkansas and Oklahoma	95	89	107	84	92	88
Colorado	170	168	165	135	164	217
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,242	1,300	1,129	964	1,159	1,558
Indiana	507	480	487	360	407	520
Iowa	65	43	54	56	92	116
Kansas and Missouri	172	170	144	140	135	161
Kentucky—Eastern	965	967	976	754	915	764
Kentucky—Western	287	266	216	153	204	238
Maryland	33	34	36	25	34	35
Michigan	8	9	10	7	16	28
Montana (bituminous and lignite)	118	90	80	62	79	82
New Mexico	40	37	22	18	33	58
North and South Dakota (lignite)	57	55	69	54	61	**36
Ohio	667	668	750	408	552	817
Pennsylvania (bituminous)	2,630	2,600	2,861	2,409	2,330	3,149
Tennessee	142	141	149	100	118	118
Texas (bituminous and lignite)	9	9	8	11	19	26
Utah	115	115	111	93	86	121
Virginia	390	400	405	297	322	231
Washington	52	39	43	32	47	68
*West Virginia—Southern	2,190	2,258	2,346	1,760	1,920	1,488
†West Virginia—Northern	905	897	889	551	639	805
Wyoming	181	180	167	134	139	184
‡Other Western States	2	††	††	††	††	**4
Total bituminous and lignite	11,412	11,385	11,558	8,911	9,826	11,310
§Pennsylvania anthracite	1,228	1,276	1,088	735	1,155	1,968
Total all coal	12,640	12,661	12,646	9,646	10,981	13,278

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

September Retail Prices Continue Unchanged, According To Fairchild Publications Index

Retail prices remained unchanged, for the third consecutive month, according to the Fairchild Publications Retail Price Index. This was also true of all the major subdivisions except piece goods which showed a very small decrease. Although retail prices have been at a standstill for the past three months, they are somewhat higher than last year, showing an increase of 7.5%. In comparison with the period just before the outbreak of war in 1939, prices are 27.2% higher.

The firm's announcement further said:

"Even though there was only one major group which recorded a change over the previous month, that of piece goods with a decrease of 0.1%, these subdivisions are still much above last year. The greatest advance was shown by piece goods, 12.3%, followed by men's apparel with 10.2%, and women's apparel with 8.3%. Piece goods also show the largest increase over the period immediately preceding the outbreak of hostilities in 1939. Home furnishings and women's apparel are a close second, 27.8% and 26.9%. Infants' wear recorded the least advance both over last year and over 1939.

"Only five of the individual commodities recorded any change over last month. There was a decrease of 0.1% in silk and cotton piece goods, and in sheets and pillow cases. Furs decreased 0.2%, and men's clothing advanced 0.4%. Fur prices also show a decline from last year of 2.2%. Cotton piece goods, sheets and pillow cases, aprons and housedresses, men's hose and underwear advanced the most over 1941. The smallest increases over last year were shown by women's shoes, infants underwear, furniture, men's hats and caps and floor coverings. Over 1939 furs increased the most, and women's shoes the least.

"It is still expected that retail prices will continue practically unchanged for some time, according to A. W. Zelomek, economist under whose supervision the index is compiled. However, some upward movement is not unlikely as readjustments in individual items are made. We note here that the Price Regulation No. 177 has already affected the men's clothing index, since it allows a certain percentage markup in determining the ceiling prices of men's outer coats."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

Copyright 1941 Fairchild News Service

	May 1, 1933	Oct. 1, 1941	July 1, 1942	Aug. 1, 1942	Sept. 1, 1942	Oct. 1, 1942
Composite Index	69.4	105.2	113.1	113.1	113.1	113.1
Piece Goods	65.1	99.2	112.2	†112.3	112.3	112.2
Men's Apparel	70.7	95.5	105.1	105.1	*105.2	105.2
Women's Apparel	71.8	104.1	112.9	112.8	112.7	112.7
Infants' Wear	76.4	101.2	108.0	108.0	108.0	108.0
Home Furnishings	70.2	106.9	115.6	115.6	115.5	115.5
Piece Goods						
Silks	57.4	78.9	84.9	†85.0	84.8	84.7
Woolens	69.2	98.4	108.2	108.1	108.1	108.1
Cotton Wash Goods	68.6	122.4	143.4	†143.9	143.9	143.8
Domestics						
Sheets	65.0	108.9	127.0	127.0	126.9	126.8
Blankets & Comfortables	72.9	123.8	134.9	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	83.4	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	121.4	140.6	140.5	140.5	140.5
Corsets & Brassieres	83.6	99.1	111.3	111.3	111.2	111.2
Furs	66.8	138.1	136.0	136.0	135.4	135.1
Underwear	69.2	93.8	102.8	102.7	102.7	102.7
Shoes	76.5	89.6	92.5	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	94.3	108.1	108.0	108.0	108.0
Underwear	69.6	100.3	114.7	114.6	114.6	114.6
Shirts & Neckwear	74.3	90.0	99.0	99.0	99.0	99.0
Hats & Caps	69.7	89.0	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	98.3	105.1	105.1	*105.5	*105.9
Shoes	76.3	101.0	109.5	†109.6	109.6	109.6
Infants' Wear						
Socks	74.0	106.3	114.4	†114.5	114.5	114.5
Underwear	74.3	98.3	103.6	103.6	103.6	103.6
Shoes	80.9	98.6	105.9	105.9	105.9	105.9
Furniture	69.4	123.1	129.2	129.2	129.2	129.2
Floor Coverings	79.9	138.3	146.8	146.8	146.8	146.8
Radios	50.6	61.3	66.8	66.8	66.8	66.8
Luggage	60.1	84.2	94.8	94.7	94.7	94.7
Electrical Household Appliances	72.5	89.0	93.5	93.5	93.5	93.5
China	81.5	104.1	110.7	110.6	110.6	110.6

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*Increase due to Price Regulation allowing a percentage markup on ceiling price of outer coats.

†Increase due solely to special pricing of new mail order catalogues. Such catalogues are generally issued twice a year, in January and July. Thus permissible increases above January prices appear for the first time in this month's index.

Sept. Department Store Sales In New York Federal Reserve District 5% Below Year Ago

The Federal Reserve Bank of New York announced on Oct. 17 that September sales of department stores in the Second (New York) Federal Reserve District decreased 5% below a year ago. The combined sales for January through September, however, are 5% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of September were 40% above September, 1941.

The apparel stores in the New York Reserve District reported a loss of 13% in net sales in September, Their stocks on hand at the close of the month were 17% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES—SEPTEMBER, 1942

Second Federal Reserve District

	Percentage Changes from a Year Ago		
	Net Sales		
Department Stores—	September	January through September	Stock on Hand End of Month
New York City	—8	+4	+44
Northern New Jersey	—6	+3	+40
Newark	—3	+6	+42
Westchester and Fairfield Counties	+9	+11	+18
Bridgeport	+13	+13	+21
Lower Hudson River Valley	0	+2	+16
Poughkeepsie	+1	+6	—
Upper Hudson River Valley	—9	—3	+10
Albany	—16	—9	—
Central New York State	+7	+10	+27
Mohawk River Valley	+19	+23	+69
Syracuse	+4	+6	+17
*Northern New York State	—7	—7	—
*Southern New York State	+7	+8	+27
Binghamton	+4	+5	—
Elmira	+8	+12	—
Western New York State	+6	+11	+30
Buffalo	+3	+12	+27
Niagara Falls	+38	+34	+21
Rochester	+7	+8	+35
*All department stores	—5	+5	+40
*Apparel stores	—13	+5	+17

*Subject to possible revision.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Second Federal Reserve District

[1923-25 average = 100]

	1941	1942		
	September	July	August	September
Sales (average daily), unadjusted	†124	81	93	120
Sales (average daily), seasonally adjusted	†116	114	123	112
Stocks, unadjusted	113	156	162	161
†Stocks, seasonally adjusted	108	168	165	157

†Revised.

September Business Failures Again Lower

September business failures follow the same trend that has been shown for several months and are lower than in August and lower than in September 1941, both as to the number and amount involved. Business insolvencies in September, according to Dun & Bradstreet, Inc., totaled 556 and involved $5,473,000, liabilities, as compared with 698 involving $6,781,000 in August, and 735 involving $9,393,000 in September 1941.

The falling off in the number of failures in September from the number in August took place in all divisions of trade that the report is divided into, without a single exception. When the amount of liabilities is taken into consideration all divisions recorded a decrease from a month ago with the single exception of the construction group.

Manufacturing failures last month numbered 77, involving $1,661,000 liabilities, compared with 119 in August with $2,249,000 liabilities. Wholesale failures decreased to 43 with $622,000 liabilities from 61, with $999,000 liabilities, in August. In the Retail trade section insolvencies declined to 355 from 405 in August and liabilities to $2,276,000 from $2,475,000 a month ago. Construction insolvencies numbered 54 with $646,000 liabilities, which compares with 66 with $520,000 liabilities in August. Commercial Service failures numbered 27 with $268,000 liabilities, as against 47 with $538,000 liabilities in August 1942.

When the country is divided into Federal Reserve districts it is seen that nine districts had fewer insolvencies in September than in August, while the Boston, Philadelphia and Cleveland Reserve districts had more. When the amount of liabilities is considered the Philadelphia, Cleveland, Richmond, Kansas City and Dallas Federal Reserve districts had greater liabilities, while the remaining districts had a smaller amount involved.

President Backs Bennett For New York Governor

President Roosevelt on Oct. 4 gave his indorsement to John J. Bennett in the race for the Governorship of New York. Mr. Bennett, who is Attorney General of the State, won the Democratic nomination for Governor, with the support of James A. Farley, over Mr. Roosevelt's choice, Senator James M. Mead.

In his statement, the President said he would vote for Mr. Bennett because "he is the best qualified" of the three men in the race. The other Gubernatorial candidates are Thomas E. Dewey, Republican, and Dean Alfange, American Laborite.

The President, in his statement, also urged all voters throughout the country "to exercise the right of the ballot."

The White House press statement follows:

"In reply to numerous inquiries with reference to the political situation in his home State of New York, the President has authorized the following statement:

" 'Of the three men in the race for the Governorship of New York, I shall cast my ballot for John Bennett because I believe that he is the best qualified.'

"At the same time, the President further said:

" 'I trust that every voter, not only in New York State, but throughout the country, regardless of party affiliations, will register, and on November third, exercise the right of the ballot. This is one of the essential privileges and duties of our democratic way of life for which we are now fighting.' "

Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 16 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 3, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Oct. 3 (in round-lot transactions) totaled 1,098,315 shares, which amount was 16.58% of total transactions on the Exchange of 3,312,090 shares. This compares with member trading during the previous week ended Sept. 26 of 1,130,093 shares, or 16.26% of total trading of 3,475,130 shares. On the New York Curb Exchange, member trading during the week ended Oct. 3 amounted to 146,995 shares, or 16.69% of the total volume of that Exchange of 440,305 shares; during the preceding week trading for the account of Curb members of 124,050 shares was 14.48% of total trading of 428,440 shares.

The Commission made available the following data for the week ended Oct. 3:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	968	695
1. Reports showing transactions as specialists	174	87
2. Reports showing other transactions initiated on the floor	154	13
3. Reports showing other transactions initiated off the floor	184	58
4. Reports showing no transactions	550	565

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED OCT. 3, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	74,090	
‡Other sales	3,238,000	
Total sales	3,312,090	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	302,370	
Short sales	32,780	
‡Other sales	232,950	
Total sales	265,730	8.58
2. Other transactions initiated on the floor—		
Total purchases	166,130	
Short sales	16,200	
‡Other sales	137,550	
Total sales	153,750	4.83
3. Other transactions initiated off the floor—		
Total purchases	110,359	
Short sales	12,700	
‡Other sales	87,276	
Total sales	99,976	3.17
4. Total—		
Total purchases	578,859	
Short sales	61,680	
‡Other sales	457,776	
Total sales	519,456	16.58

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED OCT. 3, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	3,110	
‡Other sales	437,195	
Total sales	440,305	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	41,690	
Short sales	2,490	
‡Other sales	51,785	
Total sales	54,275	10.90
2. Other transactions initiated on the floor—		
Total purchases	6,540	
Short sales	100	
‡Other sales	6,995	
Total sales	7,095	1.55
3. Other transactions initiated off the floor—		
Total purchases	22,030	
Short sales	300	
‡Other sales	15,065	
Total sales	15,365	4.24
4. Total—		
Total purchases	70,260	
Short sales	2,890	
‡Other sales	73,845	
Total sales	76,735	16.69
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	26,204	
Total purchases	26,204	
Total sales	14,715	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Treasury Figures On 1940 Income Tax Returns

Secretary of the Treasury Morgenthau made public on Oct. 2 figures for taxable and non-taxable individual income and defense tax returns, with net income and with no net income, and taxable fiduciary income and defense tax returns with net income, for 1940 filed during the calendar year 1941. They are from "Statistics of Income for 1940, Part 1," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The Treasury's summary of the data follows:

"The total number of returns filed for 1940 is 14,778,159 an increase, as compared with the previous year, of 91.5%. The total net income is $36,588,545,894, and the total tax liability is $1,496,403,386, an increase of 57.8% and 61.1%, respectively.

"There are 7,504,695 taxable returns, of which 7,437,261 are for individuals with net income of $23,279,203,093 and tax of $1,440,967,144; 67,388 are for fiduciaries with net income of $278,827,290 and tax of $54,963,289; and 46 are for individuals with no net income, showing a deficit of $2,550,665, but with alternative tax of $472,953.

"Of the 7,273,464 non-taxable returns, 7,160,813 are for individuals with net income of $13,030,515,511 — non-taxable because exemptions and credits exceed net income; and 112,651 are for individuals with no net income, showing a deficit of $308,833,907—returns on which total deductions exceed total income.

"The normal tax and surtax liability, reported on 7,478,649 individual and fiduciary returns with net income, is $824,280,936; the alternative tax, reported on 26,000 individual and fiduciary returns with net income and on 46 individual returns with no net income due to net long-term capital loss, is $543,772,173. The defense tax, reported on individual and fiduciary returns with net income is $128,350,277.

"The effective tax rate is 6.4% for taxable returns with net income and 4.1% for all returns with net income.

"The increase for 1940 over 1939, in number of returns, net income, deficit and taxes is presented below:

INDIVIDUAL RETURNS AND TAXABLE FIDUCIARY RETURNS: INCREASE FOR 1940 OVER 1939, IN NUMBER OF RETURNS, NET INCOME, DEFICIT AND TAXES

(Money figures in thousands of dollars)

	1940	1939	Increase 1940 over 1939 No. or Amt.	Increase 1940 over 1939 Percent
Total individual and taxable fiduciary returns:				
Number of returns	14,778,159	7,715,660	7,062,499	91.5
*Net income	36,588,546	23,191,871	13,396,675	57.8
Deficit	311,385	284,327	27,058	9.5
Tax	1,496,403	928,694	567,709	61.1
Taxable individual & fiduciary returns:				
With net income:				
Number of returns	7,504,649	3,959,297	3,545,352	89.5
*Net income	23,558,030	15,803,945	7,754,085	49.1
Tax	1,495,930	928,394	567,537	61.1
Normal tax	388,950	286,345	102,606	35.8
Surtax	435,331	313,518	121,813	38.9
†Alternative tax	543,299	328,532	214,768	65.4
‡Defense tax	128,350	------	------	----
§Individual returns with no net inc.:				
Number of returns	46	17	29	170.6
Deficit	2,551	1,128	1,423	126.1
Alternative tax	473	300	173	57.6
Nontaxable individual returns:				
¶With net income:				
Number of returns	7,160,813	3,673,902	3,486,911	94.9
Net income	13,030,516	7,387,926	5,642,590	76.4
With no net income:				
**Number of returns	112,651	82,444	30,207	36.6
Deficit	308,834	283,199	25,635	9.1

*For taxable fiduciary returns, the net income used for classification and tabulation is the net income taxable to the fiduciary after distribution to beneficiaries. †The alternative tax is imposed on (1) returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain, and (2) returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss. ‡Defense tax is 10% of the total income tax, but not in excess of 10% of the amount by which the net income exceeds the income tax. §Returns, with no net income due to net long-term capital loss, on which the partial tax computed on net income before the deduction of net long-term capital loss exceeds 30% of the net long-term capital loss. ¶Exemptions and credits exceed net income. A negligible number of nontaxable individual returns in net income classes of $6,000 and over are not tabulated separately. **Include individual returns with zero net income (total deductions equal total income).

The advices also state:

"The data presented in this release are from returns for the income year 1940 filed in the period January through December, 1941, under the provisions on the Internal Revenue Code as amended. Included are individual returns, Forms 1040, 1040A, and 1940B; and taxable fiduciary returns, Form 1041, filed for estates and trusts.

"The returns are, in general, for the calendar year ending Dec. 31, 1940. However, a negligible number of returns for a fiscal year, other than the calendar year, ending within the period July, 1940, through June, 1941, are tabulated with the calendar year returns for 1940. There are also included part year returns for which the greater part of the accounting period falls in 1940. Amended returns and tentative returns are not included in the tabulations.

"Statistics are taken from the returns as filed and prior to any revisions that may be made as a result of audit by the Bureau of Internal Revenue."

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $281,800,000 of open market paper outstanding on Sept. 30, 1942, the Bank announced on Oct. 14. This compares with outstandings for Aug. 31, 1942, amounting to $297,200,000 and for Sept. 30, 1941, of $370,500,000.

Following are the totals for the last two years:

1942—	$	1941—	$
Sept. 30	281,800,000	Sept. 30	370,500,000
Aug. 31	297,200,000	Aug. 30	353,900,000
July 31	305,300,000	July 31	329,900,000
June 30	315,200,000	June 30	299,000,000
May 29	354,200,000	May 31	295,000,000
Apr. 30	373,100,000	Apr. 30	274,600,000
Mar. 31	384,300,000	Mar. 31	263,300,000
Feb. 28	388,400,000	Feb. 28	240,700,000
Jan. 31	380,600,000	Jan. 31	232,400,000
1941—		1940—	
Dec. 31	374,500,000	Dec. 31	217,900,000
Nov. 29	387,100,000	Nov. 30	231,800,000
Oct. 31	377,700,000	Oct. 31	252,400,000

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 16 a summary for the week ended Oct. 10, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Oct. 10, 1942	Total for week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	16,079
Number of Shares	453,509
Dollar Value	14,766,287
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	250
*Customers' other sales	18,010
Customers' total sales	18,260
Number of Shares:	
Customers' short sales	6,218
*Customers' other sales	468,954
Customers' total sales	475,172
Dollar Value	13,508,193
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	150
†Other sales	132,120
Total sales	132,270
Round-lot Purchases by Dealers—	
Number of Shares	120,060

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Oct. 10, 1942

Lumber production during the week ended Oct. 10, 1942, was 0.05% less than the previous week, shipments were 5% less, new business 15% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 3% above production; new orders 3% above production. Compared with the corresponding week of 1941, production was 6% less, shipments 2% less, and new business 5% greater. The industry stood at 128% of the average of production in the corresponding week of 1935-39 and 137% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the first 40 weeks of 1942 were 5% below corresponding weeks of 1941; shipments were 3% above the shipments, and new orders 7% above the orders of the 1941 period. For the 40 weeks of 1942, new business was 20% above production, and shipments were 13% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 74% on Oct. 10, 1942, compared with 37% a year ago. Unfilled orders were 45% greater than a year ago; gross stocks were 28% less.

Softwoods and Hardwoods

Record for the current week ended Oct. 10, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	445	445	460
Production	260,826	276,459	260,687
Shipments	268,516	275,014	282,856
Orders	269,694	257,400	319,160

	Softwoods 1942 Week	Hardwoods 1942 Week
Mills	365	96
Production	250,924—100%	9,902—100%
Shipments	254,162—101	14,354—145
Orders	255,416—102	14,278—144

Revenue Freight Car Loadings During Week Ended Oct. 10, 1942 Totaled 909,957 Cars

Loading of revenue freight for the week ended Oct. 10, totaled 909,957 cars, the Association of American Railroads announced on Oct. 15. This was an increase above the corresponding week in 1941, of 6,080 cars or 0.7% and an increase above the same week in 1940, of 98,051 cars or 12.1%.

Loading of revenue freight for the week of Oct. 10 increased 2,350 cars or 0.3% above the preceding week.

Miscellaneous freight loading totaled 433,707 cars, an increase of 1,693 cars above the preceding week, and an increase of 41,108 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 92,759 cars, an increase of 917 cars above the preceding week, but a decrease of 67,959 cars below the corresponding week in 1941.

Coal loading amounted to 167,109 cars, a decrease of 1,966 cars below the preceding week, and a decrease of 4,590 cars below the corresponding week in 1941.

Grain and grain products loading totaled 50,997 cars, an increase of 440 cars above the preceding week, and an increase of 14,444 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Oct. 10 totaled 34,344 cars, a decrease of 819 cars below the preceding week, but an increase of 10,488 cars above the corresponding week in 1941.

Live stock loading amounted to 22,510 cars, an increase of 1,057 cars above the preceding week, and an increase of 2,284 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Oct. 10, totaled 18,199 cars, an increase of 770 cars above the preceding week, and an increase of 1,626 cars above the corresponding week in 1941.

Forest products loading totaled 49,541 cars, an increase of 4 cars above the preceding week and an increase of 4,709 cars above the corresponding week in 1941.

Ore loading amounted to 78,855 cars, a decrease of 2 cars below the preceding week, but an increase of 14,759 cars above the corresponding week in 1941.

Coke loading amounted to 14,479 cars, an increase of 207 cars above the preceding week, and an increase of 1,325 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941, except the Eastern, Allegheny, Pocohontas, and Southern and all districts reported increases compared with the corresponding week of 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Week of Oct. 3	907,607	917,896	806,004
Week of Oct. 10	909,957	903,877	811,906
Total	34,053,743	33,089,522	28,207,950

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 10, 1942. During this period only 65 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED OCT. 10

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	317	566	588	1,341	1,482
Bangor & Aroostock	1,332	1,245	892	186	290
Boston & Maine	*6,428	9,047	7,568	*13,758	13,533
Chicago, Indianapolis & Louisville	1,479	1,591	1,449	2,103	2,426
Central Indiana	45	26	19	41	58
Central Vermont	1,075	1,506	1,347	2,547	2,463
Delaware & Hudson	6,259	7,562	6,074	11,069	10,782
Delaware, Lackawanna & Western	7,486	9,729	9,357	11,055	8,712
Detroit & Mackinac	839	502	502	405	141
Detroit, Toledo & Ironton	1,736	2,366	2,530	1,183	1,295
Detroit & Toledo Shore Line	367	406	356	3,045	3,766
Erie	12,428	16,447	14,291	16,741	15,702
Grand Trunk Western	4,432	5,148	5,319	8,242	9,337
Lehigh & Hudson River	176	217	204	2,738	2,912
Lehigh & New England	1,713	2,238	1,968	1,908	1,857
Lehigh Valley	*8,735	10,120	9,254	*13,226	9,592
Maine Central	2,461	3,221	2,705	3,080	2,852
Monongahela	6,125	7,101	3,268	420	424
Montour	2,407	2,073	2,136	27	52
New York Central Lines	49,893	52,461	46,097	56,237	52,224
N. Y., N. H. & Hartford	9,636	12,631	10,789	17,661	16,190
New York, Ontario & Western	1,137	1,283	1,239	2,456	2,382
New York, Chicago & St. Louis	8,298	7,023	6,144	15,962	13,955
N. Y., Susquehanna & Western	422	526	390	2,007	1,661
Pittsburgh & Lake Erie	7,870	9,085	7,906	9,294	8,716
Pere Marquette	5,792	6,315	7,020	7,010	6,352
Pittsburg & Shawmut	779	669	512	16	44
Pittsburg, Shawmut & North	418	421	421	210	514
Pittsburgh & West Virginia	1,031	1,277	598	3,280	2,535
Rutland	403	615	674	933	1,205
Wabash	6,166	5,946	6,072	12,460	10,842
Wheeling & Lake Erie	5,668	5,390	4,556	4,864	4,436
Total	163,353	184,753	162,245	225,505	208,742
Allegheny District—					
Akron, Canton & Youngstown	733	725	599	1,062	1,087
Baltimore & Ohio	40,384	41,447	34,181	28,125	23,830
Bessemer & Lake Erie	6,855	5,847	6,982	2,640	2,285
Buffalo Creek & Gauley	336	313	270	3	5
Cambria & Indiana	1,862	2,001	1,568	5	17
Central R. R. of New Jersey	7,344	8,492	7,925	20,654	16,526
Cornwall	718	732	663	52	42
Cumberland & Pennsylvania	244	295	268	20	34
Ligonier Valley	131	135	129	55	35
Long Island	1,365	899	1,014	3,591	2,952
Penn-Reading Seashore Lines	1,960	1,774	1,631	2,005	2,058
Pennsylvania System	84,827	88,152	72,582	68,849	60,256
Reading Co.	15,517	17,563	15,585	28,189	24,705
Union (Pittsburgh)	21,156	19,963	19,292	8,060	5,963
Western Maryland	3,888	4,449	3,578	12,802	8,399
Total	187,320	192,787	166,267	176,112	148,194
Pocahontas District—					
Chesapeake & Ohio	28,038	30,232	22,800	13,563	14,269
Norfolk & Western	22,448	25,324	20,215	8,187	6,353
Virginian	4,530	4,684	4,142	2,498	2,003
Total	55,016	60,240	47,157	24,248	22,625
Southern District—					
Alabama, Tennessee & Northern	314	380	282	331	199
Atl. & W. P.—W. R. R. of Ala.	779	901	866	2,780	2,129
Atlanta, Birmingham & Coast	769	854	742	1,267	1,209
Atlantic Coast Line	10,848	11,115	10,413	11,218	7,011
Central of Georgia	4,276	4,861	4,476	5,034	4,414
Charleston & Western Carolina	382	472	460	1,495	1,501
Clinchfield	1,800	1,768	1,310	2,664	2,789
Columbus & Greenville	566	394	413	268	405
Durham & Southern	122	214	160	664	458
Florida East Coast	865	422	520	1,325	1,050
Gainesville Midland	39	41	31	108	83
Georgia	1,460	1,467	1,221	3,015	2,295
Georgia & Florida	360	535	332	460	611
Gulf, Mobile & Ohio	4,687	4,313	3,904	5,016	3,629
Illinois Central System	32,205	28,388	25,186	17,948	14,994
Louisville & Nashville	25,827	27,064	21,386	11,699	9,157
Macon, Dublin & Savannah	240	185	134	665	702
Mississippi Central	214	189	173	655	368
Nashville, Chattanooga & St. L.	3,837	3,839	3,293	4,991	3,375
Norfolk Southern	1,297	1,530	1,259	1,651	1,447
Piedmont Northern	321	512	440	1,254	1,802
Richmond, Fred. & Potomac	597	389	389	10,004	5,967
Seaboard Air Line	10,116	10,575	9,863	8,991	7,315
Southern System	24,170	26,181	23,505	24,810	21,404
Tennessee Central	540	500	507	1,159	789
Winston-Salem Southbound	130	173	167	1,039	932
Total	126,761	127,262	111,432	120,511	96,035
Northwestern District—					
Chicago & North Western	22,974	22,598	23,474	15,723	14,886
Chicago Great Western	2,522	2,981	2,994	3,848	3,488
Chicago, Milw., St. P. & Pac.	23,293	23,964	22,625	11,062	9,689
Chicago, St. Paul, Minn. & Omaha	3,943	4,291	3,885	4,903	4,727
Duluth, Missabe & Iron Range	28,116	21,284	21,366	339	300
Duluth, South Shore & Atlantic	992	1,038	1,318	1,076	545
Elgin, Joliet & Eastern	10,410	9,993	9,315	11,021	10,464
Ft. Dodge, Des Moines & South	551	583	629	121	144
Great Northern	29,240	25,400	26,872	5,793	4,684
Green Bay & Western	572	640	668	776	680
Lake Superior & Ishpeming	2,263	1,960	3,585	48	90
Minneapolis & St. Louis	2,421	2,172	2,600	3,236	2,460
Minn., St. Paul & S. S. M.	8,460	7,604	7,734	3,316	3,139
Northern Pacific	14,684	13,694	12,772	5,912	5,123
Spokane International	252	186	298	597	337
Spokane, Portland & Seattle	2,784	2,701	2,075	3,569	2,562
Total	153,477	141,089	142,210	71,340	63,318
Central Western District—					
Atch., Top. & Santa Fe System	24,928	24,004	22,438	14,214	9,378
Alton	3,643	3,100	3,077	4,954	2,940
Bingham & Garfield	515	673	500	91	86
Chicago, Burlington & Quincy	23,122	18,817	18,346	13,475	11,994
Chicago & Illinois Midland	2,497	2,599	2,252	888	976
Chicago, Rock Island & Pacific	13,378	13,422	13,440	13,537	10,945
Chicago & Eastern Illinois	3,098	2,842	2,675	4,568	3,094
Colorado & Southern	1,230	1,033	857	2,066	2,072
Denver & Rio Grande Western	5,335	4,720	3,987	7,227	5,061
Denver & Salt Lake	1,026	1,054	903	14	12
Fort Worth & Denver City	1,502	1,141	1,330	1,732	1,120
Illinois Terminal	1,970	1,906	1,797	2,128	2,151
Missouri-Illinois	1,385	1,044	1,045	631	427
Nevada Northern	2,219	2,046	1,853	109	156
North Western Pacific	1,151	1,402	938	729	514
Peoria & Pekin Union	19	17	5	0	0
Southern Pacific (Pacific)	33,595	32,873	28,101	11,554	7,914
Toledo, Peoria & Western	394	357	355	2,368	1,773
Union Pacific System	21,027	21,446	19,568	19,142	14,649
Utah	687	564	482	2	5
Western Pacific	2,480	2,140	1,913	5,255	4,604
Total	145,201	137,200	125,862	104,684	79,871
Southwestern District—					
Burlington-Rock Island	804	183	188	297	244
Gulf Coast Lines	4,700	3,339	2,603	2,077	2,188
International-Great Northern	3,974	1,968	1,880	2,747	2,219
Kansas, Oklahoma & Gulf	423	193	276	1,090	1,135
Kansas City Southern	5,157	2,840	2,229	2,669	2,812
Louisiana & Arkansas	3,637	2,511	2,207	2,213	2,255
Litchfield & Madison	258	356	276	1,170	1,138
Midland Valley	946	765	562	203	264
Missouri & Arkansas	225	220	241	378	410
Missouri-Kansas-Texas Lines	5,992	5,119	5,160	5,516	3,916
Missouri Pacific	20,411	18,133	16,617	21,543	13,742
Quanah Acme & Pacific	101	78	139	266	175
St. Louis-San Francisco	10,416	9,704	8,725	8,683	6,474
St. Louis Southwestern	3,627	3,299	3,366	6,332	3,485
Texas & New Orleans	13,307	7,550	7,632	4,729	4,384
Texas & Pacific	4,676	4,142	4,455	8,184	4,980
Wichita Falls & Southern	153	133	163	26	59
Weatherford M. W. & N. W.	22	13	14	13	30
Total	78,829	60,546	56,733	68,156	49,910

*Previous Week's figure.

Note—Previous year's figures revised.

Non-Ferrous Metals—WPB To Liberalize Lead Conservation Order—Quicksilver Active

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 15, stated: "The conservation order limiting use of lead is up for revision and a more liberal document is to be issued by WPB shortly, Washington reports state. Use of copper by the utilities was curtailed further during the last week. Demand for quicksilver continues active and the moderate advance in the price that occurred during the week previous was easily maintained. Canada advanced the price of tungsten ore to the United States equivalent. Silver contained in solder will bring the higher price now prevailing for foreign metal, OPA ruled last week." The publication further went on to say in part:

Copper

Advices from Chile state that Government officials are negotiating for a higher price for Chilean copper. The immediate aim is to raise the price realized in Chile to the extent of 10%. London reports have it that the higher level already has been granted. In New York, nothing is known of these claims. Metals Reserve Co. has contracts with producers of Chilean copper that run to the end of the year. Metals Reserve has been buying foreign copper in several directions on the old basis of 11.75¢, f.a.s. United States ports. The domestic market continues at 12¢, Connecticut Valley.

WPB has reduced the amount of scarce metals that public utilities may use for maintenance and repair of transmission and distribution systems during the fourth quarter of 1942 about 40%. Previously, a utility could use as much scarce material as it used in the corresponding quarter of 1940. The new action also requires power companies to make at least 75% of their wire, cable, and bus bar purchases from the inventories of other utilities instead of from manufacturers. At the same time, permissible inventories were reduced by WPB by 40%, using the comparable 1940 period as a base. All ratings assigned by the order for materials required for maintenance and repair have been raised from A-2 to AA-5, with a rating of AA-2 for emergency repairs.

Lead

The lead conservation order came up for discussion at the meeting of the advisory group held in Washington on Oct. 8. That the order will be eased is regarded as certain in most quarters of the trade. In fact, the order is said to be about ready for final approval of officials of WPB.

Sales of common lead for the last week mostly involved November shipment metal.

Zinc

The terms on which Metals Reserve Co. is to buy premium grades of zinc for stockpile purposes need clarification, trade authorities hold. Metals Reserve is buying Prime Western on the basis of 8¼¢, St. Louis, and, as matters stand at present, intends to pay the same price for the other grades and settle for the premium after final disposition has been made of the metal.

Tin

The salvage campaign for used tin cans will be intensified to provide material for a greatly enlarged detinning capacity. The Defense Plant Corp. has awarded a contract to the H. K. Ferguson Co., Cleveland, for construction of new detinning facilities that will "almost double" present capacity. The program includes construction of new plants in New York, Buffalo, Chicago, Birmingham, Dallas, and Los Angeles, and additions to existing plants at Carteret, N. J., East Chicago, Ind., Baltimore, and Neville Island, Pa.

Quotations for tin were unchanged. Straits quality tin for future shipment was nominally as follows:

	Oct.	Nov.	Dec.
Oct. 8	52.000	5.2000	52.000
Oct. 9	52.000	52.000	52.000
Oct. 10	52.000	52.000	52.000
Oct. 12	——Holiday——		
Oct. 13	52.000	52.000	52.000
Oct. 14	52.000	52.000	52.000

Chinese tin, 99%, spot, 51.125¢ all week.

Quicksilver

The firmer price situation in quicksilver continues, owing to sustained buying by those who have obtained contracts from the Government for mercurials. Some sellers report that near-by supplies are almost unobtainable. Quotations held at $195 @ $198, New York.

Silver

Producers of solder containing silver, who found that the original order establishing maximum prices on materials containing foreign silver did not cover such solders adequately, have been relieved of price uncertainty in a clarification order issued last week by OPA. The order authorizes sellers of tin and lead-base solders containing silver to add 9.634¢ per fine troy ounce of silver contained in the alloy to the maximum prices placed on these solders.

Quotations for silver were unchanged throughout the week.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Items About Banks, Trust Companies

Percy H. Johnston, Chairman, Chemical Bank & Trust Co. of New York, announces the promotion of Reginald H. Brayley to Manager of its Madison Avenue and 46th Street Branch. Mr. Brayley has been an employee since 1914, and for several years has been identified with the bank's branch at Broadway and 73rd Street. He will assume his new duties early in November.

The Pan American Trust Co., New York City, has received authorization from the State Banking Department to maintain a branch office at 590 East 187th St., Bronx.

Frederick H. Hornby, President of the Continental Bank & Trust Co., New York City, died on Oct. 18 at his home Garden City, Long Island, after a brief illness. Up to the time he was taken ill at Sky Top, Pa., on Oct. 9, Mr. Hornby had been active in the management of the bank. Mr. Hornby was born in Brooklyn 59 years ago and after a year spent in his father's building and contracting business he became a messenger in the old Fourth National Bank. Three years later he went with the Mutual Alliance Trust Co. and was Secretary of that institution when he resigned 11 years later to become Assistant Cashier of the Chatham and Phoenix National Bank. In 1915 he became Assistant Cashier of the German-American Bank which later became the Continental Bank of New York.

In 1918 Mr. Hornby was made Cashier of the Continental and ten years later was elected President. Under his direction the bank expanded its activities and the name was changed to the Continental Bank & Trust Co. In 1931 Mr. Hornby was elected Chairman of the Board of Directors of the bank and for a few years served as both Chairman and President. In 1941 he relinquished the Chairmanship to Frederick E. Hasler, who was Chairman of the Executive Committee, and continued as President only. Mr. Hornby was a Director of the Wall Street Shares Corp., the Guardian Life Insurance Co. of America and A. N. Stollwerck, Inc., and President and Director of the Continental Safe Deposit Co.

The Dime Savings Bank of Brookyn, in line with its wartime Thrift Program, will present for a period of two weeks, beginning Oct. 15th, "The Consumer's Front," an exhibit showing graphically how average people can make their money, food, clothing and household materials last longer and go farther in wartime. It was built by the Brooklyn Museum for the Consumer's Division of the Brooklyn Civilian Defense Volunteer Organization, and will be open to the public at the main office of the bank, Fulton Street and DeKalb Avenue, each week-day during banking hours; every day from 9 a.m. to 3 p.m.; Saturday, 9 a.m. to 12 noon, and on Monday, 9 a.m. until 7 p.m. The theme of the exhibition is to show how the housewife can help to prevent inflation by buying only what she needs and by making everything she has last as long as possible. Graphic features of the exhibit come under the headings, "American Made and American Grown," "Wise Buying," "Your Kitchen Is in the War" and "Do It Yourself." A free booklet and an Outline of the Exhibit will be distributed at the bank.

Henry Robertson Kinsey, President and Trustee of the Williamsburgh Savings Bank, Brooklyn, N. Y., with which he had been associated since 1900, died on Oct. 13 after an illness of several months. His age was 64. Mr. Kinsey was President of the Savings Banks Association of the State of New York from 1931 to 1935 — the only person to have held that office for four consecutive terms. He was President of the National Association of Mutual Savings Banks from 1937 to 1939, and was a member of the State Banking Board since its inception in 1932. Born in Brooklyn, Mr. Kinsey was educated in schools there, took engineering courses at Pratt Institute and later attended New York University. He began working with the Brooklyn Edison Co. at the age of 17, and subsequently secured a position with the Williamsburgh Savings Bank in order to follow his father's profession of banking. One of his special interests outside of, but closely related to his banking duties, was his interest in the Amercan Institute of Banking, which led him to be one of the organizers in 1902 of the Brooklyn Chapter of the Institute. The Brooklyn Chapter was merged with the New York Chapter of the Institute in 1907 and two years later Mr. Kinsey became Vice-President of this combined Chapter. Mr. Kinsey frequently consulted with and advised Government officials concerning measures which he deemed advisable. As an outgrowth of these activities, Mr. Kinsey pointed the way toward organization of the Savings Banks Trust Company and Investment Securities Corporation, and served as a Director of both institutions.

A change in the capital stock of the Union Trust Co. of Pittsburgh, as recommended by directors, will result in a five-for-one splitup if approved by the stockholders at a special meeting on Nov. 5, according to the Pittsburgh "Post Gazette" of Oct. 7. Stockholders will vote upon a plan whereby the 15,000 shares of $100 par value would become 75,000 shares of $20 par value. This would result in no change in the outstanding $1,500,000 capitalization of the institution.

The "Post Gazette" further said:

"The chief effect of the splitup will be a reduction in the market value of the shares. The $100 par value stock long has had one of the highest market values of any bank stock in the nation. During the rise which culminated in 1929 Union Trust shares sold at $23,000 and currently are quoted at $5,150 bid, $5,450 asked. The last reported sale was at $5,300.

"On the basis of the last sale, the proposed new shares would be valued at $1,060, and it is expected that the change would accelerate trading in the stock.

"At the same meeting, stockholders will vote upon a proposal to make the Union Savings Bank of Pittsburgh, which is now practically all owned by Union Trust, a branch of the latter institution. There will be no change in the location, personnel or types of business of Union Savings. The change to a branch is subject to the approval of regulatory authorities."

The Merchants National Bank of South Bend, South Bend, Ind., has increased its common capital stock from $250,000 to $300,000, according to a recent bulletin issued by the Comptroller of the Currency.

John J. Abbott, internationally known banker and senior Vice-President of the Continental Illinois National Bank and Trust Co., Chicago, died on Oct. 18 in Chicago after a brief illness. He was 71 years old. Mr. Abbott had been associated with the Continental Illinois and its predecessor institutions since 1904. He was an American representative of the consortium for China of the United States, England and Japan in the 1920's studying aid to China and had earlier made a trip to China surveying financial conditions.

A native of New York City, Mr. Abbott began his business career with the Chicago Edison Co. and later entered the banking business.

Lynn P. Talley, former Governor of the Federal Reserve Bank of Dallas, died on Oct. 8 at his home in Dallas at the age of 60.

Mr. Talley was also formerly assistant to the directors of the Reconstruction Finance Corporation and President and Chairman of the Executive Committee of the Commodity Credit Corporation.

The following regarding his career is from the New York "Times" of Oct. 9:

He began as a stenographer with Weld & Neville in Temple, held a similar position with the Gulf, Colorado & Santa Fe RR. from 1900 to 1901.

From 1903 to 1911 he was employed by the City National Bank of Dallas, Texas.

From 1915 to 1921 he was first Cashier and then Deputy Governor of the Federal Reserve Bank of Dallas, Texas. During the next two years he was Vice-President of the Southwest National Bank of Dallas (now consolidated with the Republic National Bank and Trust Co.) He returned to the Federal Reserve Bank of Dallas as Director, Chairman of the Board and Federal Reserve agent in 1923, and from 1925 to 1931 served as Governor and Chairman of the Executive Committee.

From 1931 to 1932 he was Chairman of the Board of the Bank of America National Trust and Savings Association, San Francisco.

Mr. Talley was appointed an assistant to the directors of the Reconstruction Finance Corporation in 1932, President and Chairman of the Executive Committee of the Commodity Credit Corporation in 1933 and 1939, and Treasurer, Trustee and member of the Executive Committee of the Export-Import Bank of Washington in 1933. He retired in 1940.

Paul Washburn, Trust Officer and Assistant Secretary of the First Trust and Savings Bank of Pasadena (Calif.) died on Oct. 7 at the age of 69.

NAREB Proposes Change In Rent Control Rules

Suggestion is made by the National Association of Real Estate Boards that rent control regulations for the country at large be amended to exempt from eviction regulations the ordinary householder renting a room or two. The announcement states that in order to encourage householders to open their homes to war workers, such an amendment to the District of Columbia Rent Control Act has recently been put into effect. The NAREB adds:

"It provides that non-housekeeping furnished accommodations located within a single dwelling unit occupied by the lessor or his family shall be exempted from the provisions regulating evictions. A considerable volume of additional housing could be made available, the Association believes, if some way can be found to extend to the country as a whole a similar provision. People would be much more ready to open up their homes to war workers if they were sure they would not be obligated to continue the arrangement if it should prove to be detrimental to the family life or if family conditions were to change."

Commerce Association Urges Action To Repeal Law For Renegotiation Of War Contracts

Announcing its conviction that the present law permitting the Government to renegotiate contracts to capture excess profits was interfering with war production, the Commerce and Industry Association of New York, on Oct. 15 under the authority of its Board of Directors, issued a statement calling for the law's repeal. The statement was made public in behalf of the directors by Neal Dow Becker, President of the Association, who said "this Association has reached the conclusion that the present law governing the renegotiation of contracts is proving a serious detriment to the continuation and expansion of war production." The statement added:

"We are quite in accord with the objective of the Government not to permit any company to make excessive profits out of war contracts, but the method of obtaining this objective, through the setting aside of contracts entered into in good faith and carried out with zeal and enthusiasm, is so contrary to American principles, and so confusing and unfair in its application that Congress should hasten to correct the mistake which has been made.

"In view of the uncertainties that the law creates, manufacturing firms involved in war production cannot fail to regard it as an attack on their very security. Confidence is destroyed, enthusiasm is lessened and the time of officials that should be given to production problems is taken up with renegotiations. A carefully considered and negotiated contract ceases to be a contract. This law causes uncertainty and confusion among those who are doing their utmost to meet the Government requirements for increased production. Considering all the factors that are involved, it is not too much to say that it strikes at the very heart of war production."

Among other things, objections to the law are cited as follows:

"It threatens the security of those concerns called upon to make capital investments to fulfill war contracts. As long as this law is in effect no corporation doing war work can know what its profits are, or what its liabilities are, nor, can it safely undertake capital expenditures or pay dividends to stockholders as long as its contracts are not renegotiated.

"There is no requirement in the law that members of the price adjustment boards, which have been created to readjust these contracts, shall be familiar with the problems of production of war material. Not only is this necessary qualification withheld, but to date none of the boards has set down any definite standards that may be used as a guide in administering the law.

"It has recently been indicated that the boards do not propose to deal with individual contracts, but that the overall profit of a company as a whole is to be taken as a basis of renegotiation and not the individual contracts for war materials. Such an attitude is unfair.

"Since taxes must be paid in cash, and taxes are a preferred liability, it is unfair and unjust to ask business men to renegotiate contracts being carried out or executed in 1942, while the tax bill, the rates of which will determine what part of the profits of such contracts can be retained, is still the subject of discussion before Congress.

* * *

"The law does not set up any standards by which excessive profits are to be measured."

The statement says that "the above, and many other considerations, warrant the conclusion that the whole scheme and basis of this law weakens respect for contracts and is repulsive to decent business principles. To continue it, will be to decrease confidence, weaken enthusiasm for Government work and put a damper on the patriotic zeal of the thousands who have voluntarily turned over their entire resources to Army and Navy production." It is added:

"The law is not needed in order to prevent the reaping of excessive profits. The existing tax laws, and the new tax law under consideration by Congress, already insure the limitation and recapture of excess profits, and, we are firmly of the opinion that the excess profits tax, rather than the process of renegotiation, should be used to accomplish the purposes sought in Public Law 528.

"We, therefore, urge Congress, and the President of the United States, to repeal this law and restore the sanctity of contracts, particularly at a time when every available facility is, or will soon be required, to bring our war production to the point where it will so far exceed that of our enemies that it will insure a speedy victory."

N. Y. Savings Banks' Deposits Increase

With a $27,482,000 increase in deposits for the quarter ended Sept. 30, coupled with War Bond sales of $68,395,000 for the same period, the savings banks of New York State are proving an important anti-inflationary force, according to a report issued Oct. 17 by the New York State Savings Banks Association.

The Association's announcement further states:

"Total new savings through the savings banks for the third quarter, including War Bonds and savings deposits, amount to $95,877,000, money which if it had not gone into savings would undoubtedly have flowed into consumer channels and thus contributed toward the inflationary trend.

"For the six months ended Sept. 30, the gain in deposits was $57,067,000 and total War Bond sales amounted to $129,805,000, making a total in new savings of $186,871,000. These figures include dividends of $34,740,000 on June 30 and $9,018,000 on Sept. 30.

"There has been a corresponding gain in new savings accounts during the last three months, with a net increase of 19,353 accounts added during the period, and the total of savings accounts on Sept. 30 standing at 5,984,856. Total deposits for the New York State savings banks on Sept. 30 were $5,449,421,689."

Federal Tax Laws Discussed At Meeting

Beardsley Ruml, Treasurer of R. H. Macy & Co., Inc., and Chairman of the Federal Reserve Bank of New York, and Harry C. Gretz, Assistant Comptroller of the American Telephone & Telegraph Co., were scheduled to be guest speakers at the regular monthly meeting of the New York City Control of the Controllers Institute of America, held last night, Oct. 21, at the Hotel New Yorker. The subject of discussion was Federal tax legislation, Mr. Ruml reporting on the current status of the "Pay-as-you-go" income tax provision, and Mr. Gretz on "Withholding Features in the Pending Tax Bill." G. E. Foster of the Brooklyn Union Gas Company, newly-elected President of the organization, presided at the dinner meeting.